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I. 20 Dec 84

TAIWAN

COMMENT ON FOREIGN POLICY, TIES WITH U.S., USSR

OW182202 Beijing in Russian to the USSR 1800 CMT 16 Dec 84

[From the "International Life" program; article by commentator (Hung Bo): "China's Independent and Sovereign Foreign Policy"}

[Excerpts] We consider that the struggle against hegemonism and for the defense of peace in the world is currently the most important task of the people of the world. The two superpowers are now waging a fierce struggle for world hegemony and have spread the flame of nuclear war over our planet. We do not want to see humanity subjected again to the plunder of a world war, and this is why the defense of peace in the entire world has become the main goal of our country's foreign policy. The people of all the countries in the world are also struggling for a stable peace. The demand disarmament and, first, the reduction of nuclear armaments by the two superpowers. We are convinced that peace will be defended in the world only if the people of the world close their ranks and struggle determinedly against hegemonism, expansionism, and all their manifestations.

China and most of the Third World countries have very similar histories of long sufferings and face common problems and tasks. In this connection, China is determinedly on the side of Third World countries and considers the support of their struggle against imperialism, hegemonism, and colonialism as its sacred international duty.

We think that the development of relations between China and the United States, Japan, and Western countries with different social systems, meets the interests of the Chinese people and the people of various countries and serves the cause of defense of peace in the world. The Chinese Government always considers that while developing these bilateral relations, it is necessary to eliminate all the factors hampering diplomatic relations. For instance, there is one main obstacle in the way of development of Sino-U.S. relations -- Taiwan. Only under the condition of actual conduct of a policy of just one China, and the observance of principles of mutual respect of sovereignty and territorial integrity, and noninterference in each other's internal affairs, will Sino-U.S. relations be able to continue to march along the path of healthy development.

We sincerely hope that China and the Soviet Union, upon eliminating obstacles, will light as early as possible the road to the normalization of relations between them. We note with joy that during the last 2 years, there has been a gradual improvement in Sino-Soviet relations, and we wish uninterrupted development of cooperation of the two countries in the fields of economics, trade, science, and technology.

In solving the problem of bilateral relations with the United States and the Soviet Union, China will not refrain from improving relations with them because it is against their hegemonism; will not give up its antihegemonistic position because of improved relations with them; and will not infringe on the interests of one country because of improved relations with the other. In a word, China is deciding independently on what it can and cannot do. China does not need instructions from others.

Since the 12th CPC Congress, China has achieved new huge successes in the implementation of its independent and sovereign foreign policy.

Our country's relations with other countries in the world have received a new development. Moreover, thanks to the implementation of the policy for expanding foreign relations, China has further developed its economic, scientific, and technological exchanges and cooperation with various countries.

In the complicated international situation, China is openly supporting the struggle of peoples of all countries against aggression and expansion and for the winning and defending of national independence; is actively striving to defend peace in the world and contribute to disarmament and relaxation of tension in the world. In this connection. China has won confidence and found friends.

Practice shows that the implementation of an independent and sovereign foreign policy by China is united with fulfillment of its high international duty -- defending peace in the world and contributing to the progress of humanity.

39TH UN GENERAL ASSEMBLY SESSION VIEWED

OW101347 Beijing XINHUA in English 1221 GMT 19 Dec 84

["Roundup: 39th U.N. General Assembly Recesses (by Zhou Cipu)" -- XINHUA headline]

[Text] United Nations, December 18 (XINHUA) -- The 39th General Assembly of the United Nations adjourned today after taking up 130 agenda items including disarmament and the issues of Kampuchea and Afghanistan.

During the three-month-long session, either in the general debate or the following working session, priority was always given to the search for world peace and economic issues. As the people of the world are expecting a peaceful international environment, most representatives to the U.N. pressed the two superpowers for disarmament, particularly nuclear disarmament.

This session adopted more than 60 resolutions on disarmament, including the one on the prevention of an arms race in outer space. That resolution was proposed by China and other countries. It was unanimously approved with only the U.S. abstaining. Observers here held that the fact that so many resolutions on disarmament were adopted by the General Assembly showed the strong aspiration of the world's peace for peace and progress in disarmament.

During the session, the voice for ending the occupation of foreign countries resounded much louder than ever before. This year, the General Assembly decided to include the issues of Kampuchea and Afghanistan in the provisional agenda of its next session despite the objection of the Soviet Union and some other countries. The General Assembly once again adopted two resolutions on the issues of Kampuchea and Afghanistan, upholding the fundamental principle of the pullout of foreign forces from the two countries.

During the session, the United States was denounced for its stubborn position on such issues as Central America, Middle East and southern Africa. The regimes of South Africa and Israel were condemned again for their apartheid system and policy of aggression.

It was regretable that no noticeable progress on economic issues was made during the session. This year, there was still no progress on the subject of the launching of global negotiations although this important issue was declared to "be kept open". Fear aroused that it might be laid aside and neglected.

In the course of discussing economic issues, many developing countries raised valuable opinions about the transformation of international economic relations, but their good suggestions were rejected again by some Western countries.

It is also worth noting that the General Assembly unanimously adopted the declaration on the critical economic situation in Africa, calling for all necessary measures to aid the African countries in alleviating the critical economic situation in Africa.

UNICEF REPORT PRAISES PRC MEDICAL TECHNIQUES

OW191914 Beijing XINHUA in English 1830 GMT 19 Dec 84

[Text] Beijing, December 19 (XINHUA) -- Four relatively simple and inexpensive methods could enable parents themselves to halve the rate of child deaths and save lives of up to 20,000 children everyday in the past two years, according to a report on the state of the world's children prepared by James P. Grant, executive director of the United Nations Children's Fund (UNICEF).

The four simple and low-cost procedures UNICEF suggested are oral rehydration therapy. breastfeeding, growth monitoring and immunization.

The report was released to the Chinese press in beijing by Carl E. Taylor, UNICEF's Beijing representative, who said that there were about one billion pre-school age children in the world today.

Diarrheal dehydration is the biggest single killer of children in the modern world. In 1984, the report says, the lives of an estimated half a million children have been saved by oral rehydration therapy (ORT). Yet, as the year comes to an end, less than 15 percent of the world's families are using the inexpensive technique.

In this regard, China is 30 years ahead, the report says, adding that the home-made solutions of sugar and salt Chinese mothers use for their children suffering from diarrhea have been proved very effective, according to surveys. Though diarrhea is common among Chinese children, deaths caused by diarrheal dehydration are very rare in China. But in neighbouring India, about 1.8 million children die of such desease every year.

In the coming five years, UNICEF estimates, oral rehydration therapy will be used by 50 percent of the world's families, and by that time, 2 million children will be saved. Therefore, the report says, empowering of mother with knowledge and techniques of child protection is the only approach which can realistically bring benefits to the growth of children.

There has been fruitful co-operation between UNICEF and China's Ministries of Foreign Economic Relations and Trade, Public Health and Education and the All-China Women's Federation since 1980.

In the past five years, UNICEF gave China grants totalling more than 27 million dollars for the construction of China's Child Development Center, childrens' first-aid facilities the production of weaning food, immunizations, publication of children's books, research in pre-school education, scientific teaching tools, and the setting up of eight cold-chains which may serve 80 million children in five southern Chinese provinces.

UNICEF will grant China 50 million dollars in the 1985-1989 period for 40 projects in the fields of children's public health, education and development research and welfare. Most will serve children in China's remote, minority and mountainous areas.

China's present policy of accelerating the development of those areas fits the children work, Taylor said. There were extremely talented people doing this kind of work not only in big cities like Beijing, but also in the rural areas, he said. "UNICEF would like to be a part of your internal policy to improve the mountainous and remote areas," Taylor said.

Founded in December, 1946, UNICEF works to help improve children's malnutrition cure their diseases and promote their education in developing countries. China is one of its 41-member Executive Board.

PRC SENDS MORE AID TO DROUGHT-HIT AFRICA

OW180947 Beijing XINHUA in English 0833 GMT 18 Dec 84

[Text] United Nations, December 17 (XINHUA) -- China will send an additional 40,000 tons of grain to the drought-stricken people of Africa, bringing the total amount of its emergency grain aid to 120,000 tons in 1984, Ling Qing, Chinese permanent representative to the United Nations, announced today at a U.N. special meeting on Africa.

During 1984, China provided African countries with more than 560 million yuan (RMB) in aid for cooperative projects already underway, as well as grain, he said. "While doing its utmost to render, as always, what assistance it can, China will carry out extensive economic and technological cooperation with Africa and thus continue to play its part in helping its economic rehabilitation and development," he added.

Ambassador Ling urged the international community, the developed countries in particular, to fully implement the declaration adopted by the U.N. General Assembly two weeks ago on Africa's critical economic situation. "It is not right to attach unreasonable conditions to the aid or take advantage of this opportunity to impose a certain fixed economic pattern on them," he pointed out.

As to how to help African countries solve their economic crisis, Ling said, "only by helping them develop their national economies in conjunction with the relief effort, will it be possible to help eliminate the root cause of crisis, to strenghten their emergency prevention and preparedness capacities and avert the recurrence of crisis."

The Chinese ambassador also urged the United Nations to work out appropriate, practical and feasible methods to ensure systematic transportation, storage and distribution of assistance supplies with the maximum results.

XINHUA YEARENDER EXAMINES U.S. ECONOMIC GROWTH

OW191900 Beijing XINHUA in English 1840 GMT 19 Dec 84

["Yearender: 1985 -- A Year For Slow U.S. Economic Growth (by Li Yanning and Zhao Zijian)" -- XINHUA headline]

[Text] Washington, December 18 (XINHUA) -- What is the prospect of the U.S. economic situation in 1985 -- this is a question which many people are concerned about. Some U.S. economists predict there might be another recession here next year. But many others argue that a slow economic growth will emerge. Analysts here believe that three factors could have an important bearing on the U.S. economy in the coming year -a huge budget deficit, mounting trade deficits and the monetary policy pursued by the Federal Reserve Board.

Just two weeks after the U.S. general elections, White House Director of the Office of Management and Budget David A. Stockman announced that the administration's budget deficit for the current fiscal year would reach 210 billion dollars, far surpassing the originally expected 172 billion dollar shortfall. To make up for the huge deficit through either inflation or issuing more bonds on the domestic financial market, which will keep the interest rate high or even make it rise again, will inevitably bring significant harmful consequences and turbulences to the U.S. national economy.

Many U.S. economists and influential businessmen have urged President Ronald Reagan to give the deficit problem his top priority during his second term. In an article published the second week after the general elections, former Chairman of the Presidential Council of Economic Advisers Martin S. Feldstein said: "Failure to deal appropriately with the deficit would have very serious consequence for the American economy in the years ahead."

U.S. business circles have also expressed fear that the rocketing deficit will badly damage the U.S. economy. Several influential Washington-based organizations, such as the U.S. Chamber of Commerce, the American Business Conference and the National Association of Manufacturers, have recently formed a dericit reduction coalition in an effort to press the government to cut spending.

But Reagan is unwilling to cut military spending and promised during the presidential campaign that he would not increase taxes nor reduce social welfare expenditures. In addition, the government has to pay interest on the national debt. As it is difficult to have cutbacks in these three major budget items which account for 64 percent of the budget, a reduction of expenditures can only be made in other ways. Recently, the administration indicated it would cut non-military spending by 34 billion dollars and would further study whether military spending could be reduced somewhat.

Commenting on this thorny problem, a recent issue of U.S. NEWS AND WORLD REPORT said: "President Reagan has embarked on the most painful and difficult effort at deficit cutting in recent American history. His mission is almost impossible."

This year, the sharp rise in the exchange rate for the U.S. dollar has brought the U.S. foreign trade deficit to a record high. The country's trade deficit this year is estimated at more than 130 billion dollars, or more than twice last year's figure of 61.1 billion dollars.

Since 1980, the exchange rate of the U.S. dollar against the currencies of other major industrial nations has gone up by 56 percent. The high exchange rate has let to the huge influx of foreign goods into the U.S. and further weakened the competitiveness of U.S. goods on the world market. This has apparently hindered the growth of the U.S. economy and, to a considerable extent, offset the stimulating effects on business caused by Reagan's tax reduction and the increases in federal spending. In the third quarter of this year, the U.S. domestic demand for goods and services was up by 5.7 percent but the GNP only rose by 1.9 percent. In other words, most of the increase in demand turned out to be the buying of more imported goods. In the near future, however, dramatic changes will not take place in the high exchange rate of the U.S. dollar and the huge U.S. trade deficit, analysts predicted.

The monetary policy pursued by the Federal Reserve System, of course, will produce effects on the U.S. economy. On November 21, the Fed decided to drop its discount rate from nine percent to 8.5 percent. With the discount rate dropping, big banks in the United States started to lower their interest rates.

High officials in the Federal Reserve System obviously hoped to create favorable conditions for strong economic growth next year by loosening the money supply. Chairman of the Federal Reserve System Paul Volcker said in an address last month that the central bank "has the responsibility for assuring adequate growth in money and liquidity in the economy to support orderly growth in demand over time, in line with our potential. We intend to meet that responsibility." However, he stressed, that pumping more money into the nation's banking system cannot solve the problems created for financial markets by "enormous" federal budget deficits, nor can it "prevent the seepage of rising demand abroad, instead of to U.S. producers".

Analyses show that the U.S. economy in 1985 is unlikely to maintain the 1984 growth rate, which is estimated by some at five percent or more. However, most U.S. economists say that judging from some major economic indicators, the U.S. economy won't be dragged into another recession in the near future. This prediction is based on the fact that industrial and commercial investments increased by 12.5 percent in the second quarter of this year and 15.9 percent in the third, while consumer demand has kept growing. Although consumer debt has increased recently, it has not yet reached the level of the pre-recession year of 1979. In addition, the unsold stocks of industrial and commercial enterprises have not reached a dangerous level when taking into account the ratio between stocks and sales.

The current international economic situation is also favorable for a continued growth of the U.S. economy. The World Bank and the International Monetary Fund (IMF) predicted that from 1985, the industrializing developing countries' growth rate will reach more than five percent while the economies of the Western European industrialized countries will maintain their tendency of growth. All these, plus the declining world oil prices, are factors favorable to the U.S. economy.

Therefore, most of the U.S. economists and economic forecasting institutions believe that 1985 will be a year of slow growth, with the gross national product (GNP) increasing by about three percent, and that a new economic recession will not occur.

REAGAN PROPOSES DEFENSE BUDGET REDUCTION

OW190840 Beijing XINHUA in English 0731 GMT 19 Dec 84

[Text] Washington, December 18 (XINHUA) -- U.S. President Ronald Reagan today proposed an 8.7 billion dollar reduction in the defense budget for fiscal 1986 and a total cut of 28 billion dollars over the next three years. U.S. Defense Secretary Caspar Weinberger termed Reagan's decision as "an extremely satisfactory result."

Weinberger acknowledged at a press conference today that the estimated 200 billion dollar deficit is a "worrisome problem," but he insisted that a freeze for defense is "extremely dangerous" for the United States. He also announced that the Pentagon will accept President Reagan's decision to cut 8.7 billion dollars in military spending for the next fiscal year.

Reagan's decision, he said, "will enable us to continue the regaining of the necessary deterrent strength on which we've been engaged for the past four years." He indicated that all U.S. major weapons systems, including the MX missile, will escape cuts. He said it was "extremely fortunate" that President Reagan did not accept defense cutbacks proposed by Budget Director David Stockman for the next three years.

White House spokesman Larry Speakes today said the 28 billion dollar reduction over three years is less than half the amount needed under a deficit-reduction plan drafted by Stockman to cut deficits to 100 billion dollars in three years. Speakes also indicated that controversy over the nation's defense spending is far from over. "The budget process continues. It will continue this year and it will continue in 1987 and 1988." he said.

U.S. CURRENT ACCOUNT DEFICIT INCREASES

OW181127 Beijing XINHUA in English 1031 GMT 18 Dec 84

[Text] Washington, December 17 (XINHUA) -- the U.S. international current account deficit in the third quarter reached 32.9 billion dollars, bringing the total deficit of the last three quarters to 77.3 billion dollars, the U.S. Government announced today. U.S. Commerce Secretary Malcolm Baldridge said that the current account deficit for 1984 would exceed 100 billion dollars, more than double last year's 41.8 billion dollars.

The latest deterioration of the international current account is believed to result largely from the U.S. unfavorable foreign trade balance with a 10.2 percent increase in imports from July through September and only a 1.7 percent rise in exports during the same period. The U.S. foreign trade deficit in the third quarter amounted to 33.3 billion dollars. The United States, which has been a net creditor to the world for a long time, still had a net credit of 106 billion dollars at the end of 1983.

Referring to the current account deficit, the U.S. commerce secretary said "the strength of the dollar is seriously hurting our industry. To bring down the dollar and stem the trade deficit, we must lower the budget deficit."

The international current account for a country shows the inflow and outflow of "turrent" transactions, including receipts from exports, interest earned on U.S. investments abroad, the outflow of money to purchase imports, foreign aid and money which people earn in the U.S. and send to their families abroad.

XINHUA EXAMINES CHANGE IN U.S. CUEAN RELATIONS

OW181055 Beijing XINHUA Domestic Service in Chinese 1413 GMT 15 Dec 84

["Roundup on the Important Change in Cubar -U.S. Relations" -- XINHUA headline]

[Text] Beijing, 15 Dec (XINHUA) -- Cuba and the United States reached an agreement on the immigrants issue on 14 December. That same evening, Castro, president of the Councils of State and Ministers of Cuba, personally announced this agreement by TV and radio. He said: This is the first time in 26 years that the two countries have created a condition for normalization of immigration relations and also the first time the United States has taken effective measures against Cuban citizens' illegal departure from their own country. He termed this agreement a "constructive and positive" event in the relations between the two countries.

According to this agreement. Cuba will accept the return of 2.746 Cubans who entered the United States from Cuba's Port Mariel in 1980 and were considered disqualified for such entry by the United States. Repatriation of these persons will begin 30 days after the agreement date and will be handled jointly by the immigration bureaus of the two countries. About 100 persons (not more than 150 at maximum) will be processed each month. In addition, the United States will accept those Cubans who have been imprisoned on charges of "endangering the state" along with their directly related family members. The United States has said that it will accept 3,000 such persons in 1985.

On the afternoon of 14 December, the Cuban Foreign Ministry distributed among foreign correspondents in Havana the communique of this negotiation and a summary of minutes for execution. According to these documents, the United States will issue 20,000 preferential immigration visas to Cuban citizens residing in Cuba with priority accorded to directly related family members of U.S. citizens and those Cuban immigrants who have resided in the United States for a long time.

The negotiations on the Cuba-U.S. immigrants issue is one of the 10 points contained in the statement issued by U.S. civil rights leader Jackson and Castro when the former visited Cuba in June this year in an attempt to seek normalization of the relations between the two countries. Beginning in July, the two sides held four rounds of secret talks in New York City and eventually reached the agreement. This is a major step toward further easing the prolonged confrontation between them through dialogue.

Both sides have repeatedly and eagerly sought to solve the immigration problem in recent years. In April 1980, when large numbers of Cubans swarmed Into foreign embassies in Cuba, demanding exist from their own country, the Cuban authorities decided to open Mariel, some 45 km west of Havana, and allowed all those Cubans who wished to leave the country to go from there to the United States by boat. In a short period of 6 months, some 125,000 Cubans streamed into the United States, including some 2,700 the United States termed "criminals and mental patients." These people created social-order problems in certain places in the United States. In August 1980 alone, the Cuban refugees hijacked U.S. planes on nine occasions. For this reason, the United States suspended normal immigration procedures for Cuban citizens and, at international meetings or directly, demanded Cuba take back those undesirable refugees. Cuba rejected the demand, contending that the Cuban exodus was a consequence of U.S. instigation and demanding negotiations with the United States for an overall settlement of the immigration problem. This stalemate began to relax by the middle of this year.

Cuba and the United States have been in a state of confrontation ever since they severed diplomatic relations in January 1961. In recent years, Cuba has more than once publicly expressed its willingness to negotiate with the United States for normalization of relations. Castro has pointed out that "normalization of the Cuban-U.S. relations will be helpful to improving the political climate in Latin America and the Caribbean and to easing the world situation." When the United States sent troops to remada in October last year, Cuba took a rather restrained attitude. Most recently, Cuba supported the plan of President dos Santos of Angola for pulling Cuban troops out of Angola. It has been reported that Cuba's stationing of troops in Africa, particularly in Angola, was the major roadblock to the relaxation of the U.S.-Cuba tension.

The United States also expressed willingness in recent years to negotiate with Cuba for repatriation of refugees and, especially during Reagan's campaign for re-election, made a gesture of willingness to come into contact with Cuba. Reagan himself said in a TV talk at the end of July this year that he hoped to complete the repatriation of over 2,700 Cuban refugees by the end of the year.

It was under these circumstances that Cuba and the United States reached agreement on the refugee problem. Cuba has a higher appraisal of this agreement. Castro said on 8 December that the Cuba-U.S. contact this time showed that problems between the two countries could be solved through negotiations and that it was "necessary" for both sides to make some concessions. On the other hand, Speakes, the White House spokesman, said on 14 December that conclusion of an agreement on this issue did not signal any change in U.S. policy toward Cuba. It appears that the Cuba-U.S. contact and the agreement on a specific issue did relax their confrontation to a certain degree. Yet, their positions are still vastly different. It is yet difficult to predict how their relations will change.

PRC FOLK ART TROUPE WELCOMED IN U.S. CITIES

OW171238 Beijing XINHUA in English 1218 GMT 17 Dec 84

[Text] Washington, December 16 (XINHUA) -- A Chinese folk art troupe put on two performances here today, which drew warm applause from the audience of more than 1,000 Chinese residents in America, including some Taiwan compatriots. The 14-member troupe, including the master of Chinese cross talk, Hou Baolin, came here from New York this morning, where its performances with local flavor and interesting touch were received with equal enthusiasm from the audience of more than 4,000 in the Madison Square Garden.

Invited by the Los Angeles-based International Attraction Inc. and the Chinese-American Films Inc., the art troupe will also travel to Los Angeles and San Francisco before leaving for home later this month.

USSR'S ARKHIPOV TO ARRIVE IN BEIJING 21 DEC

OW2° J804 Beijing XINHUA in English 0756 GMT 20 Dec 84

[Text] Beijing, December 20 (XINHUA) -- Ivan Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union, is expected to arrive in Beijing tomorrow morning as guest of the Chinese Government.

Reliable sources said that Arkhipov will have talks with Chinese Government leaders and meet Chinese leaders. Besides Beijing, he will also tour southern parts of China.

Observers here described Arkhipov's visit as a plus to better understanding, economic, scientific and technical cooperation and trade between China and the Soviet Union.

WENZHAI BAO ON SOVIET ECONOMIC MANAGEMENT REFORM

HK190845 Beijing WENZHAI BAO in Chinese No 165, 30 Nov 84 p 8

[Article from 19 November JINGJI XUE ZHOUBAO [ECONOMICS WEEKLY]: "Soviet Proposals for Reforming the Economic Management Structure"]

[Text] In an article in issue No 4 of KOMMUNIST D. Gvishiani, deputy chairman of the Soviet State Committee for Science and Technology, put forward his proposals on reforming the Soviet economic management system.

1) Enterprises should have the decision-making rights to all important matters on economic activities. 2) It is necessary to improve the work in departments, to expand the power of departments which act as state administrative organs, and to delegate some of the functions of trans-departmental administrative organs (such as the planning committee and the supply committee) to departments, but organs at the departmental level should not carry out economic accounting. 3) The supply committee can provide the vocational department with production materials for further distribution to various departments; the supply committee will mainly play an intermediary role. 4) Some departments will be merged. 5) Scientific and technological progress is slow because the results of scientific research have not been effectively used. Scientific and technological progress should be speeded up in the following aspects: The work of coordinating trans-departmental policies on science and technology should be improved; the activities of the committee for science and technology, the committee for standards, and the committee for inventions and discoveries should be carried out in coordination; research institutes of various departments should be merged into an allied company; planning work should be improved and procedures for approving documents on new technology should be simplified; and bonuses for studying and producing highly efficient new technology should be raised. 6) The labor force and material and financial resources should be saved by strengthening the management of quotas.

DPRK OFFICIAL ON SEOUL OLYMPIC VENUE CHANGE

OW171422 Beijing XINHUA in English 1323 GMT 17 Dec 84

[Text] Pyongyong, December 17 (XINHUA) -- Kim Yu-sun, president of the Korean Olympic Committee, has urged the International Olympic Committee to "take urgently a decisive measure" for the 24th Summer Olympic games, according to the KOREAN CENTRAL NEWS AGENCY here Sunday.

In a letter to IOC President Juan Antonio Samaranch, Kim Yu-sun said that the safety of the athletes could not be guaranteed since the political situation in South Korea was complicated and unstable and the repeated military manuevers in South Korea had worsened the situation on the Korean peninsula. Therefore, he said, "We consider that Seoul is not a place suitable for the Olympic Games".

The choice of Seoul as the venue of the next Olympic Games caused great concern to the Olympic movement, he said.

The DPRK opposed having the games to be held in South Korea and was neither willing to stage the games in the North.

Kim Yu-sun said that DPRK would continue to make sincere efforts for the formation of a joint Korean team.

DPRK PROTESTS U.S. HIGH-ALTITUDE RECONNAISSANCE

6 Dec Intrusion

OWO61904 Beijing XINHUA in English 1852 GMT 6 Dec 84

[Text] Pyongyang, December 6 (XINKUA) -- A U.S. high-altitude reconnasissance plane today intruded into the airspace of the Democratic People's Republic of Korea, the Korean news agency KCNA reported. The news agency said that Yi Tae-ho, senior member of the Korean-Chinese side to the Korean Military Armistice Commission, lodged a strong protest agaist the U.S. side.

He demanded that the U.S. side take concrete measures to stop its planned acts in violation of Korean sovereignty and the Armistice Agreement. He said the flights are designed to aggravate tension in Korea.

The planes were said to have ventured over Kangwon Province and the territorial waters near South Hwanghae Province.

15 Dec Intrusion

OW152014 Beijing XINHUA in English 1904 GMT 15 Dec 84

[Text] Pyongyang, December 15 (XINHUA) -- U.S. high-altitude reconnasissance planes this morning intruded into the airspace of the Democratic People's of Korea for the eleventh time since late November, according to the KOREAN CENTRAL NEWS AGENCY (KCNA), which termed the intrusions premeditated acts of the United States to sharpen the Korean situation.

Yi Tae-ho, senior member of the Korean Military Armistice Commission, today lodged a strong protest against the U.S., demanding that the U.S. take effective measures to halt violations of the Armistice Agreement and Korean sovereignty.

The U.S. planes were reported over the territorial waters near Kangwon and South Hwanghae Provinces.

PREPARATIONS FOR JAPAN YOUTH EXCHANGE CENTER

OW191343 Beijing AINHUA in English 1303 GMT 10 Dec 84

[Text] Beijing, December 19 (XINHUA) -- A preparatory committee for the establishment of the youth exchange center will soon be set up, according to a decision made at the session of the Chinese representatives on the China-Japan Committee for Friendship in the 21st Century held here today. The session was chaired by Wang Zhaoguo, chief Chinese representative of the committee.

In line with the first session of the China-Japan Committee for Friendship in the 21st Century held in September this year, three special committees have been formed. They cover long prospects of Sino-Japanese relations, exchange of science and technology and youth and culture.

The Chinese representatives held that the work towards Sino-Japanese friendship in the 21st century had a good start thanks to the care and support of leaders and friendly figures of both countries.

In the coming new year, they said, they would cooperate positively with the Japanese representatives and conduct friendly exchanges in a down-to-earth manner in line with the four principles governing the Sino-Japanese relations.

At the same time, they would continue their efforts to promote the long and stable growth of friendly and good neighbourliness of the two countries.

PRC NEW TECHNOLOGY MISSION RETURNS FROM JAPAN

OW190627 Beijing in Japanese to Japan 2130 GMT 18 Dec 84

[Text] A Chinese new technology delegation, which was on a visit to Japan, left Tokyo and returned home on 17 December, after winding up its itinerary. The delegation, led by Vice Minister Yang Jun of the State Scientific and Technological Commission, visited Japan at the invitation of the Japan-China Economic Association and Japan-China Economic Exchange Council.

During its visit, the Chinese new technology delegation toured some scientific and technological research institutes and plants, and exchanged views with Japanese specialists on developments in new energy sources, bioengineering, space technologies, and other new technological areas, as well as on trends for future development. It also discussed with the Japanese side the possibility of exchanges and cooperation in the new technological areas.

REPORTAGE ON SINO-UK ACCORD, THATCHER IN HONG KONG

Deng on Taiwan, U.S. Ties

OW200716 Beijing XINHUA in English 0702 GMT 20 Dec 84

[Text] Beijing, December 20 (XINHUA) -- Chairman Deng Xiaoping of the Chinese Communist Party Central Advisory Commission said here today that if the experience obtained in resolving the Hong Kong question could be applied to Taiwan, it would benefit all including the United States.

In a meeting here this morning with Yue-Kong Pao, chairman of the Hong Kong Worldwide Shipping Group, Deng said that Taiwan remained the major problem between China and the United States. He said that just as the Sino-British joint declaration on the question of Hong Kong had cleared the shadow over China and Britain, a settlement of the Taiwan question could also clear the shadow over China and the United States.

Yue-Kong Pao witnessed the signing of the Sino-British joint declaration which took place here yesterday. Pao told Deng that he had recently visited his home city, Ningbo in Zhejiang Province, for the first time in 40 years. He put forward a number of proposals on the construction there.

Deng praised Pao for his efforts in helping the country's construction. Later, Deng hosted a luncheon for Pao and his family.

Hong Kong Guests Honored

OW190949 Beijing XINHUA in English 0846 GMT 19 Dec 84

[Text] Beijing, December 19 (XINHUA) -- The United Front Work Department of the Chinese Communist Party Central Committee, the Ministry of Education and the Bureau of Religious Affairs of the State Council, gave luncheons respectively here today to entertain Hong Kong compatriots. They have been invited here to witness the signing of the Sino-British joint declaration on the Hong Kong question this afternoon.

Thatcher Arrives in Hong Kong

OW200734 Beijing XINHUA in English 0726 GMT 20 Dec 84

[Text] Hong Kong, December 20 (XINHUA) -- Mrs. Margaret Thatcher, British prime minister, arrived here at 12:20 p.m. today from Beijing where she and Premier Zhao Ziyang officially signed the Sino-British joint declaration on the question of Hong Kong.

Mrs. Thatcher smiled broadly as the emerged from her special plane, RAF VC 10. The prime minister looked relaxed after a packed schedule in Beijing to finalize the historic document on the future of Hong Kong.

With the prime minister were British Foreign Secretary Sir Geoffrey Howe, Governor of Hong Kong Sir Edward Youde, and British Ambassador to China Sir Richard Evans.

Mrs. Thatcher will have a tight schedule, too, during her two-day stay in Hong Kong. This afternoon, she will be taken on a tour of the fast-developing Ap Lei Chau Estate, a former tiny fishing village off Hong Kong Island. Later, she and Sir Geoffrey Howe will attend a reception at Government House.

The prime minister will address a joint meeting of the Executive and Legislative Councils this evening. Her address will be televised live by Radio Television Hong Kong.

Tomorrow morning, Mrs. Thatcher will give a press conference which will also be televised live. Straight after the press conference, the prime minister will be whisked off to the airport for a 10 a.m. flight to Washington where she will meet President Ronald Reagan.

Sino-Hong Kong Ties Viewed

OW200850 Beijing XINHUA in English 0824 GMT 20 Dec 84

["New Stage in Sino-Hong Kong Economic Ties" -- XINHUA headline]

[Text] Beijing, December 20 (XINHUA corresponden. Yao Datian) -- The signing of the Sino-British declaration on Hong Kong marks the beginning of a new stage in its economic ties with the mainland, according to Wei Yuming, vice-minister of foreign economic relations and trade.

Speaking after the official signing ceremony here, Wei told XINHUA that Hong Kong's growing import and export trade with the mainland was playing an increasingly large role in the country's modernization. The mainland's exports to Hong Kong in the first ten months of this year reached 4,418 million U.S. dollars, 6.1 percent more than the same period in 1983. Imports from Hong Kong came to 1,236 million U.S. dollars, up 50 percent.

Hong Kong had always been a major market for the mainland's exports, said Wei, who recently returned from an economic development symposium held in Hong Kong. Between 1950 and 1967, he said, about 22 percent of Hong Kong's imports came from the interior. The figure dropped to 18 percent from 1968 to 1981, but rose again to 23 percent in 1982. Hong Kong's export trade with the mainland grew even faster, by an annual average of over 100 percent. The mainland last year became Hong Kong's fourth-largest export market. And in the first half of this year, it overtook Federal Germany to become Hong Kong third-biggest market, after the United States and Britain.

A number of cities and provinces including Beijing, Shanghai, Tianjin, Guangdong, Fujian and Liaoning have established economic and trade agencies in Hong Kong, Wei noted. Many more Chinese provinces, autonomous regions and import-export agencies had held commodity fairs there, while Hong Kong businesses had also stepped up their activities on the mainland.

Since the beginning of 1980, Hong Kong firms have established more than 50 agencies in Beijing, Tianjin and Shanghai, Wei said. The two-way investment between the mainland and Hong Kong had also grown, he added, with Hong Kong funds accounting for 90 percent of the total direct overseas investment in the Shenzhen Special Economic Zone, in Guangdong Province. Hong Kong businesses have so far invested in 25 provinces, municipalities and autonomous regions, in fields including machine building, electronics, light industry, textiles, construction, tourism, transportation, agriculture mimal husbandry, commerce and real estate. Of the 105 joint ventures approved by Chinese Government in 1983, 70 involved Hong Kong partners. This two-way trade and economic cooperation would benefit both sides, and the signing of the Sino-British declaration had opened up broad prospects for further development, the vice-minister said.

THAI OFFICIAL LEAVES SHANGHAI FOR JAPAN

OW191443 Beijing XINHUA in English 1312 GMT 19 Dec 84

[Text] Shanghai, December 19 (XINHUA) -- Thai Deputy Prime Minister Phichai Rattakun, Mrs. Rattakun and their party concluded their friendly visit to China and left here for Japan today. The Thai visitors arrived here from Guilin Tuesday morning.

On Tuesday evening, they were honored at a banquet given by Mayor of Shanghai Wang Daohan. During their stay in Shanghai, they visited a Chinese medicine pharmaceutical factory, a motorcycle corporation -- a joint venture of China and Thailand, and the Yufo (Jade Buddha) Monastery.

BO YIBO MEETS SINGAPORE INDUSTRIAL DELEGATION

OW181117 Beijing XINHUA in English 1041 GMT 18 Dec 84

[Text] Beijing, December 18 (XINHUA) -- Bo Jibo, honorary chairman of the China Council for the Promotion of International Trade, met here this afternoon a delegation from the United Industrial Corporation Limited of Singapore led by its chairman, Lee Kim Yew. The delegation came here at the invitation of the China International Trust and Investment Corporation.

Rong Yiren Meets Businessmen

OW191958 Beijing XINHUA in English 1633 GMT 19 Dec 84

[Text] Beijing, December 19 (XINHUA) -- Rong Yiren, vice-chairman of the Standing Committee of the Chinese National People's Congress, met Lee Kim Yew, chairman, and Oei Hong Leong, chief executive and managing director, of the United Industrial Corporation Ltd of Singapore, and their party here tonight.

During their conversation, Lee said that Beijing had experienced rapid development, with new buildings mushrooming everywhere.

Rong briefed the visitors on China's domestic economic situation.

After the meeting, both Rong and Lee attended a ceremony for signing a letter of intent by the China International Trust and Investment Corporation (CITIC) and the United Industrial Corporation Ltd. The letter stipulated that the two sides will cooperate in building a modernized hotel complex in China, and afterwards will further cooperate in other fields. The signing ceremony was followed by a banquet given by Rong.

NEW ZEALAND TRADE MINISTER MEETS PRC OFFICIALS

Meeting With Wan Li

OW141309 Beijing XINHUA in English 1256 GMT 14 Dec 84

[Text] Beijing, December 14 (XINHUA) -- Chinese Vice-Premier Wan Li today told New Zealand Mininster of Overseas Trade and Marketing Michael Moore that China's policy of opening to the outside world would provide more favorable conditions for expanding economic and technical cooperation and trade between China and New Zealand.

Moore said that New Zealand's experience in developing agriculture and foresty was useful to China's modernization program. He said his country would be more open to China in economic cooperation and trade.

Wan met Minister and Mrs Moore at the Great Hall of the People here this afternoon

Return Banquet

OW141907 Beijing XINHUA in English 1640 GMT 14 Dec 84

[Text] Beijing, December 14 (XINHUA) -- New Zealand Minister of Overseas Trade and Marketing Michael Kenneth Moore and Mrs Moore gave a return banquet here tonight.

Speaking at the banquet, both Moore and Chinese State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua said that the New Zealand Minister's visit to China was successful. Also present at the banquet were Yang Bo, Chinese minister of light industry, and F.A. Small, New Zealand Ambassador to China.

Moore and his party will leave here tomorrow for Shanghai, Guangzhou and Shenzhen.

Departure For Hong Kong

OW191930 Beijing XINHUA in English 1619 GMT 19 Dec 84

[Text] Shenzhen, December 19 (XINHUA) — New Zealand Minister of Overseas Trade and Marketing Michael Kenneth Moore, Mrs Moore and their party concluded their courtesy visit to China and left here for home via Hong Kong today.

The New Zealand visitors arrived in Guangzhou from Shanghai on the afternoon of December 17. In the evening they were honored at a banquet given by Deputy Governor of Guangdong Province Li Jianan.

During their stay in Guangdong, they visited an agricultural produce show, a food factory, a garment factory which uses equipment imported from New Zealand, and joint ventures in the Shekou industrial area.

New Zealand entrepreneurs accompanying the minister on the visit expressed great interest in making investments in enterprises in Shenzhen and other parts of the province.

Beijing Press on Signing

OW200724 Beijing XINHUA in English 0658 GMT 20 Dec 84

[Text] Beijing, December 20 (XINHUA) -- Today's PEOPLE'S DAILY breaks with convention and devotes two entire pages to a single news event -- the signing of the Sino-British joint declaration on Hong Kong.

It was signed by Chinese Premier Zhao Ziyang and British Prime Minister Margaret That cher in the Great Hall of the People yesterday afternoon. The ceremony was witnessed by Chinese leaders Deng Xiaoping and Li Xiannian, Mrs. Thatcher's top aides and Hong Kong guests from various walks of life.

Apart from displaying the news report under a banner headline, the PEOPLE'S DAILY also carries frontpage photos of the signing, Thatcher, Deng and Zhao clinking glasses, and Deng shaking hands with Thatcher.

The full texts of Thatcher's and Zhao's speeches at the ceremony and a banquet are on the newspaper's second page.

Other Beijing newspapers have editorials and commentaries on the event. The ECONOMIC DAILY calls it "a major event which will go down in history."

The WORKERS' DAILY says that the satisfactory settlement of the Hong Kong question is an important step toward China's reunification. An editorial in the GUANGMING DAILY says that the significance goes beyond the Hong Kong question itself. "It will exert an inestimably important and far-reaching influence on the international community," it says.

TV Gives Live Coverage

OW191809 [Editorial Report] Beijing Television Service in Mandarin at 0925 GMT on 19 December begins live coverage of the ceremony held in Beijing for the signing of the Sino-British joint decalration on the question of Hong Kong.

The relay begins with shots within the Great Hall of the People, where the signing is to take place. Pictured is a long table, on which are the national flags of China and Great Britain and two copies of the accord. According to the announcer, some 100 poople from various circles in Hong Kong are present on the occasion to watch the ceremony. Shots are shown of Chinese leaders entering the hall. and the announcer says that those on the Chinese side attending the ceremony are Deng Xiaoping, Li Xiannian, Zhao Ziyang, Ji Pengfei, Wu Xueqian, and others. The British leaders attending the ceremoney, the announcer says, are Prime Minister Thatcher and Secretary of State for Foreign and Commonwealth Affairs Geoffrey Howe. Deng Xiaoping, Li Xiannian, and Howe are shown standing with other dignaturies behind the signing table.

There are several shots, including close-ups, showing Zhao Ziyang and Thatcher signing the joint declaration, while Deng Xiaoping, Li Xiannian, and others look on. After the signing and echange of the two versions of the document, Deng Xiaoping and others applaud. Zhao Ziyang and Thatcher shake hands.

Shots are shown of Zhao Ziyang delivering his speech. During the speech, shots show the speaker, camera moves to give several close-up shots of Thatcher, Deng Xiaoping, Li Xiannian, and others present at the ceremony. Zhao's speech is followed by applause. Mrs Thatcher then speaks. While she is speaking, the camera shows Zhao Ziyang, Deng Xiaoping, and others. The announcer reads Mrs Thatcher's speech as translated into Mandarin. Her speech is also followed by applause.

Following the speech are shots showing drinks being served and Deng Xiaoping, Zhao Ziyang, and Li Xiannian coming forward to toast with Mrs Thatcher. There are also several shots showing others toasting one another. The relay ends at 6947 CMT.

Officials Attend Banquet

OW200100 Beijing XINHUA Domestic Service in Chinese 1615 GMT 19 Dec 84

[Excerpts] At a banquet hosted by Premier Zhao Ziyang to welcome Prime Minister That cher this evening, nearly 500 persons from various circles of China and Britain happily gathered under the same roof to warmly celebrate the signing of the Sino-British joint declaration on the question of Hong Kong, which was an important event of far-reaching significance.

Present at the banquet were Wan Li, vice premier of the State Council; Zhu Xuefan and Zhou Gucheng, vice chairmen of the NPC Standing Committee; Ji Pengfei, state councillor and director of the Office in Charge of Hong Kong and Macao under the State Council; Wu Xueqian, state councillor and foreign minister; and Hu Ziang, vice chairman of the CPPCC National Committee. Foreign Secretary Sir Geoffrey Howe and other British officials in Mrs Thatcher's entourage also attended the banquet.

Zhao Speaks at Banquet

LD192252 Beijing XINHUA in English 1452 GMT 19 Dec 84

[Text] Beijing, December 19 (XINHUA) -- Following is the full text of the speech by Premier Zhao Ziyang at the welcoming banquet he gave in honor of Prime Minister Margaret Thatcher this evening:

The Rt. Hon. Prime Minister Margaret Thatcher.

The Rt. Hon. Foreign Secretary Sir Geoffrey Howe.

Distinguished British guests, friends and comrades, tonight I am privileged to extend, on behalf of the Chinese Government, cordial and warm welcome to Prime Minister Margaret Thatcher and her party. The Rt. Hon. Prime Minister has come to sign the Sino-British joint declaration on the question of Hong Kong and pay an official visit to China. I would also like to take this opportunity to express welcome to the personages from various circles in Hong Kong who have been invited to observe the signing ceremony in Beijing.

The Rt. Hon. Prime Minister is an outstanding statesmen of Great Britain and an old acquaintance and friend of the Chinese people. Two years ago Your Excellency paid your first official visit to China as the prime minister of the United Kingdom. The leaders of our two countries agreed then to hold friendly talks on the settlement of the question of Hong Kong. It is highly meaningful for us to meet again today. On this joyous occasion when the Chinese and British Government have agreed on and formally signed the joint declaration on the question of Hong Kong, and have the opportunity to review the course of development of the relations between our two countries, look ahead to their broad prospects and exchange views on international issues of mutual concern.

The Chinese and British Governments have settled the Hong Kong question, a legacy of history, through peaceful negotiations. This is a success of Sino-British friendly cooperation, and a rich reward for the historic policy decision made by the leadership of the two countries who showed great foresight and regard for larger interests and the long-term interests of the two peoples. We particularly appreciate the outstanding statesmanship of Prime Minister Margaret Thatcher and her important contribution to the success of the Sino-British talks. The satisfactory settlement of the Hong Kong question has not only laid a reliable foundation for the long-term prosperity and stability of Hong Kong but also provided useful experience for the peaceful resolution of issues between states left over from history and of international disputes. Of farreaching significance, this major event of the 1980's will be an important chapter in the contemporary world history.

Dear Prime Minister, friends and comrades, the current international situation is a matter of concern to us all. World peace and security are being threatened. In the face of this grave situation, however, it is encouraging that more and more countries are endeavouring to take their destiny into their own hands and making all possible efforts to stop the arms race, ease the tension and maintain world peace. The forces for peace are growing in strength, and the factors preventing the outbreak of a new world war are on the increase. We are deeply convinced that with the concerted efforts of all peace-loving countries and peoples peace can be maintained.

The Chinese people are now fully engaged in a socialist modernization drive. China needs peace, China is ready to establish and develop relations with all other countries on the basis of the Five Principles of Peaceful Coexistence. In our view, efforts should be made to seek a reasonable settlement of all international disputes through peaceful negotiations instead of resorting to the use or threat of force. We hope that the United States and the Soviet Union will improve their relations as therein lies the key to relaxing world tension. For this reason, we welcome the resumption of the disarmament dialogue between the United States and the Soviet Union in the hope that they will find effective means to halt the arms race through sincere and earnest negotiations.

As permanent members of the UN Security Council, China and the United Kingdom share a lofty international duty of maintaining peace and international security. We are pleased to note that our two countries hold common or similar views on many major international issues. We should increase contacts and exchange views more frequently so as to enhance our mutual understanding, expand the basis of cooperation and make our respective contributions to relaxing international tension and safeguarding world peace. I believe our British colleagues share this desire.

Dear Prime Minister, friends and comrades, China is now going through a very important historical period. With marked progress in the rural economic reform we have decided to further restructure the entire national economy, including the industrial, commericial and other sectors, with the urban economy as the focus. It is one of our major policies in the reform to open to the outside world and develop international cooperation. China attaches great importance to economic and technological cooperation with the West European countries including Great Britain. Not only are we ready to expand such cooperation, but we wish to see its steady and enduring development. While concentrating on our immediate work, we also set our eyes on the twenty-first century.

Expanded international economic exchanges on the basis of equality and mutual benefit will not only help promote the economic prosperity of all countries but will be conducive to the maintenance of world peace.

Over the years there has been a good development of Sino-British relations on the basis of the Five Principles of Peaceful Coexistence. Cooperation between the two countries in the economic, trade, scientific, technological, cultural and other fields has been growing steadily, and exchange of visits has been on the increase. With the satisfactory settlement of the Hong Kong question, Sino-British friendly relations and cooperation will undoubtedly grow and develop further. The prime minister's current visit is short but successful. It will certainly push the relations between our two countries to a new high. Now I wish to avail myself of this opportunity to express my sincere thanks to the British Government for their kind invitation. I look forward to meeting the prime minister again in London.

Now, I propose a toast, to the formal signing on the Sino-British declaration on the question of Hong Kong by the Chinese and British Governments; to the continuous development of Sino-British friendly relations and cooperation; to the health of Her Majesty Queen Elizabeth II; to the health of the Rt. Hon. Prime Minister Margaret Thatcher; to the health of the Rt. Hon. Foreign Secretary Sir Geoffrey Howe and other British friends; to the health of the ladies and gentlemen from Hong Kong who have come to observe the sign; ceremony, and, to the health of all other friends and comrades present!

Thatcher Speaks

OW191606 Beijing XINHUA in English 1539 GMT 19 Dec 84

["Speech by British Prime Minister at a Banquet in Beijing" -- XINHUA headline]

[Text] Beijing, December 19 (XINHUA) -- Following is the full text of the speech by British Prime Minister Margaret Thatcher at the grand banquet given in her honor at the Great Hall of the People this evening.

Your Excellency, Premier Zhao Ziyang. Your excellencies, ladies and gentlemen. It is a privilege and great pleasure for me to be visiting China for the third time in seven years. Each visit has been all too short. But each visit here also made a deep impression on me. This visit has a special importance because it marks an historic achievement.

That achievement was our signature this afternoon of the joint declaration on Hong Kong. In my speech at the signature ceremony I described the significance which we attach to the joint declaration, our determination to make a success of it, and the firm basis which it lays down for the growth and prosperity of Hong Kong's unique society into the middle of the 21st century. I expressed my conviction that the people of Hong Kong would rise to the challenge that lies ahead of them.

The world can draw a lesson from the successful outcome of our joint enterprise:

-- determined negotiation can succeed where confrontation would surely lead to disaster;

- -- goodwill and friendship can overcome misunderstanding:
- -- an intractable problem inherited from the past can be solved through an imaginative approach to the future;
- -- divisions in international life can be overcome in ways which preserve the autonomy and individuality of the societies affected.

The joint declaration is of the highest significance to our two governments and peoples. Negotiations began on the basis of the common aim for Hong Kong, agreed when I met Chairman Deng Xiaoping in 1982. [sentence as received] They were sustained, despite some difficult moments, by an underlying sense that trust and understanding were growing between us. They conclude today in a reaffirmation of our conviction that Britain and China can work even more closely together in the future for Hong Kong, for our two peoples, for international understanding and prosperity.

There are, of course, great differences between our two societies. But we also have much in common. No civilisation has a longer continuous history than China's. In Britain we too have a great sense of history. Both our people are talented and inventive. The invention of printing in China is so basic to world civilisation that we take it for granted. And the productive impulse set off by Britain's industrial revolution is still reverberating around the world. Progress, industrial or social, means change. Such change is never easy. The sense of history and cultural depth we both enjoy has given our societies a great sense of purpose. With it, we can tackle change constructively. We must preserve the best of the past in building the future. In that spirit we welcome the challenge of new technology and will make sure our people enjoy its benefits.

Both our countries have changed in the seven years since my first visit here. And changed for the better. In China, a new atmosphere of confidence and dynamism has been reflected in steady economic growth over the last five years and increased opening to the outside world. In agriculture, you have had consecutive record harvests for the last five years: China is now the world's foremost grain producer. These are the first fruits of the reforms which you have instigated. You are now embarking on an ambitious programme of industrial reform. We watch this process of change with admiration and intense interest. In Britain, we have succeeded in controlling inflation, increasing industrial efficiency and output and, most important, changing attitudes. We too are creating a brighter and more challenging future for our people. The most basic principle which both our governments are applying is courage to be objective in analysing problems -- as you would put it, to seek truth from facts.

When I last came to China, the question of the future of Hong Kong was a problem to be resolved between us. Here too we had to face change. The negotiations whose successful conclusion we marked today have not only resolved this problem and given solid grounds for confidence to the people of Hong Kong. They have also brought Britain and China closer together. They have given fresh impetus to the efforts of both countries to develop strong and wide-ranging relations between us.

Excellent prospects for strengthening cultural links already exist. And the potential for economic co-operation is now greater than ever before. In many of the areas which are essential to your modernisation plans Britain has a great deal of experience. I believe we in Britain can make an enormous contribution to helping you build a strong and prosperous China. We look forward to doing so.

Strength and prosperity at home require peace and stability abroad. As Chairman Denghas said: "Like the rest of the people of the world, we really need a peaceful environment". How true that is. Both Britain and China have shown themselves capable and willing to work for a more stable world free of the threat of conflict. With our shared goodwill and our constructive attitude to international issues, we should now redouble our efforts to contribute jointly to world peace and prosperity. The spirit should be that of Tennyson's ringing call: "To strive, to seek, to find and not to vield."

Mr Premier, it has been a great personal pleasure for me to renew the friendly contacts we had on my last visit. We have had excellent talks again today. And I look forward to welcoming you to London next year. For now, in thanking you for this magnificent banquet, may I use words of a Chinese saying to describe the growing friendship between our two countries. "We have built well. But there is more to do." In that spirit may I propose a toast:

To the health of His Excellency President Li Xiannian; to the health of His Excellency Premier Zhao Ziyang; to the health of His Excellency Vice Premier Wan Li; to the health of His Excellency State Councillor Ji Pengfei; to the health of His Excellency State Councillor and Foreign Minister Wu Xueqian; to the health of friends from Hong Kong; to the health of all other friends present this evening; to the Sino-British joint declaration on Hong Kong; to the further strengthening of relations between our two countries.

Zhao Bids Thatcher Farewell

OW200506 Beijing XINHUA in English 0157 GMT 20 Dec 84

[Text] Beijing, December 20 (XINHUA) -- British Prime Minister Mrs Margaret Thatcher left here this morning for Hong Kong.

Chinese Premier Zhao Ziyang bade her farewell at the state guesthouse. "So long as our two sides continue to work in a spirit of cooperation, it is entirely possible to maintain Hong Kong's prosperity and stability and make Hong Kong even more prosperous and stable," the premier said.

The premier came to the guesthouse at eight o'clock. In a brief conversation, he recalled that China and Britain started talks on the Hong Kong question two years ago. This historic task had now been completed with the signing of the joint declaration. "All this shows the great importance Your Excellency has attached to this issue," he noted.

The Chinese premier went on to say that the settlement of the Hong Kong question was of world significance and that its significance would grow with the passage of time.

Mrs. Thatcher replied: "I fully agree to what Your Excellency has said. We have come to a very good conclusion. I was very pleased yesterday to see so many people from Hong Kong present at the signing ceremony and the banquet, because they would feel that they are part of this great effort."

Premier Zhao said that he was as confident of the future of Hong Kong as the prime minister. "Your Excellency's contribution to the settlement of the Hong Kong question will go down in history," he told Mrs. Thatcher.

Mrs. Thatcher said that it was the result of the joint efforts of the leaders and officials of the two countries.

Referring to Sino-British relations, Zhao Ziyang said that the signing of the joint declaration marked a new stage of these relations. He said he was looking forward to the visit a high-level British trade delegation next March. He said he hoped to see a steady growth of trade and economic and technical cooperation between the two countries so as to add a new dimension to their relations.

Mrs. Thatcher expressed consent, saying that it was also the objective of the British Covernment. "I am also looking forward to Your Excellency's visit to England next year," she added. Zhao said that he was eager to pay the visit at a time convenient to both sides next year.

[Beijing XINHUA Domestic Service in Chinese at 0315 GMT on 20 December adds: "Premier Zhao presented to Mrs Thatcher a porcelain plate with her portrait engraved on it. The plate, with a diameter of about 40 cm was completed by Ma Lin, a famous middle-aged Chinese porcelain engraver, after nearly 10 days of careful engraving. Mrs Thatcher appreciated the precious art work. She said that she would take good care of it so that her descendants could see it. Mrs Thatcher yesterday gave Premier Zhao Ziyang an office computer which can process both Chinese-language and English-language software."]

The British prime minister was seen off at the airport by Chinese State Councillor and Foreign Minister Wu Xueqian and other officials.

DEVELOPMENT OF SINO-UK RELATIONS EXAMINED

OW181510 Beijing XINHUA in English 1439 CMT 18 Dec 84

["Roundup: Sino-British Relations Enters New Stage (by Chang Yuchao)" -- XINHUA headline]

[Text] London, December 17 (XINHUA) -- The historic event of the Chinese and British Governments reaching an agreement on Hong Kong last September marked the entry of Sino-British relations into a new stage of development. Since then economic, cultural, technical and personnel exchanges between the two countries have increased markedly.

After the Sino-British joint declaration on Hong Kong was initialled, the British ruling and opposition parties acclaimed the declaration as a good agreement.

Prime Minister Margaret Thatcher said at the annual Congress of the Conservative Party last October that the initialling of the joint declaration is one of the "two major diplomatic successes" achieved by her government this year.

Foreign Secretary Sir Geoffrey Howe said the declaration "marks the beginning of a much longer period of cooperation between the British and Chinese Governments, on the basis of still closer and warmer relations" and represents "a new stage" of Sino-British relations.

The opposition parties -- the Labour Party, the Social Democratic Party and the Liberal Party -- are all satisfied with the proper settlement of the Hong Kong issue through peaceful negotiations. With the consensus of various parties, the lower and upper houses of the British Parliament unauimously approved the Sino-British joint declaration on Hong Kong, on December 5 and 10 respectively.

A "China craze" swept Britain following the initialing of the Sino-British agreement on September 26, a few days before the 35th anniversary of the founding of the People's Republic of China. Various organisations for British-Chinese friendship, such as the Great Britain-China Centre, the Sino-British Trade Council and the British Society for Anglo-Chinese Understanding held receptions, luncheons or evening parties to mark the Chinese National Day and the new development in the Anglo-Chinese relations. British Foreign Secretary Geoffrey Howe attended two of such functions and made speeches, showing the importance the British Government attaches to relations with China. Since September, many institutions here have organized forums or exhibitions on China.

The People's Republic of China and Britain established diplomatic relations at the level of charge d'affaires in 1954 and promoted them to the ambassador level in 1972. Over the past 30 years Sino-British relations have advanced but not as quickly as desired. Now a gratifying change has taken place.

In the past, bilateral trade between the two countries made up only 0.3 percent of the total volume of foreign trade of the United Kingdom, the world's fifth largest trader. The volume of trade between Britain and China marked a big increase this year, amounting to over 400 million pounds in the first eight months, a record high since the establishment of diplomatic relations between the two countries. President of the Sino-British trade Council Peter Matthews predicted recently that Sino-British bilateral trade will total 600 million pounds by the end of the year and that it will likely soar to 800 million pounds in 1985. British businessmen wish to increase it to one billion after 1985, he said.

Meanwhile, the two countries have worked out programs for economic cooperation in some large-scale projects such as the exploration for oil and coal. The British Petroleum Company has taken part in the exploration of Chinese offshore oil while the British General Electric Company (GEC) is prepared to join in the construction of a nuclear power station in Guangdong. The two countries have also made noticeable progress in cooperation in the aviation industry, port construction, transportation and the electronic industry.

The friendly visits between the two countries this year, particularly in the latter half of the year, have increased remarkably compared with the previous years.

British Secretary of State for Energy Peter Walker and Minister of State for Trade and Industry Paul Hannon also visited China respectively this year. Among the visitors to China were also President of the Sino-British Trade Council Peter Matthews and other friendly figures.

At present, China has altogether more than 700 students studying in Britain at the state expense, of whom, 438 were dispatched this year. Meanwhile, more than 160 Chinese scientific and technological delegations visited Britain this year and mutual exchange of art and sports delegations between the two countries has become more frequent.

Now, there are six pairs of cities of the two countries which have become friendly cities. It is predicted that as the historical obstacles have been cleared away, the Sino-British relations will be bound to enter a new stage of all-round development.

UK FIRM GAINS HONG KONG-SHENZHEN BUS SERVICE

OW181600 Beijing XINHUA in English 1508 GMT 18 Dec 84

[Text] London, December 8 (XINHUA) -- The United Transport International (UTI), a subsidiary of the British Electric Traction Company [BET], the 1.25-billion-pound services company, has acquired a share in Hong Kong's Citybus Limited, which has won a licence for a service to Shenzhen Special Economic Zone.

According to a BET news release, Paul Rudder, a BET director and chairman of UTI, said: "We are proud to be associated with the authorities in the expanding special economic zone of Shenzhen and with the first service of its kind into China."

He went on to say, "this will give us a local base, albeit a small one initially, from which to access the undoubted opportunities which are fast developing in mainland China. The prospects throughout this area for a company with our unique experience in developing transport services are very exciting."

BET is one of the most experienced international bus operators. It controlled over 10,000 buses in Britain prior to their nationalisation and now operates -- through UTI -- 3,500 buses as well as 2,500 freight vehicles in Europe, North America, Africa and Australia.

CHINESE TV TO AIR PRIZE-WINNING BRITISH DRAMA

OW181604 Beijing XINHUA in English 1435 GMT 18 Dec 84

[Text] London, December 18 (XINHUA) -- Granada TV, one of the biggest independent TV companies in Britain, announced today that its international prize-winning TV dramma serial "The Jewel in The Crown", is to be shown on Chinese TV screens by China's regional TV network.

This is to follow two Granada programmes, "The Adventure of Sherlock Holmes" and "King Lear", which have recently been sold to China, Granada told XINHUA last month.

Granada was the only British independent TV company having been invited to participate in the first international TV festival of China which took place between November 9 and 15 in Shenzhen, China's special economic zone.

Granada is now producing a new serial "Return of the Antealope (ship)" which takes as its point of departure the 18th century classic by Jonathan Swift, "Gulliver's Travels". It depicts how the wonderful Lilliputians sailed to Victorian England to find the race of giants of which Gulliver had spoken.

Granada TV was founded in 1954. Its product "Coronation Street" is the world's longest running twice-weekly TV fiction serial, now running in its 24th year and being seen in more than 20 countries around the world.

XINHUA ROUNDUP VIEWS WEST GERMAN ECONOMY

OW191950 Beijing XINHUA in English 1916 GMT 19 Dec 84

["Round-up: Federal Germany's Economy Gets Rolling Again" -- XINHUA headline]

[Text] Bonn, December 18 (XINHUA) -- Federal Germany's economy has been faring well this year, with many of its economic indicators topping the list of Western Europe.

It's economic growth is expected to reach 2.5 percent; inflation will sink to a 15-year low of less than 2.5 percent; and the government deficit should improve, after coming down this year to 30 billion marks, even lower than projected. Exports are also a good shape, with a surplus projected at 42 billion to 50 billion marks for this year. What is more, domestic investments have been in full swing in the second part of this year, and orders are coming in at a greater flow.

Looking ahead, economic experts are generally of the view that the Federal German economy will continue to grow next year, while the growth rate for the West as a whole will slow down, especially in the United States and Japan.

Exploring the causes for such a favorable situation, economic experts attribute it in part to the government's prudent austerity measures and carefully-worked-out steps in reforming its economic structure, with traditional industries still receiving massive government subsidies.

Nevertheless, two pressing problems still remain: how to face up to the technological revolution and how to reduce the ranks of the unemployed.

In a 1.000-page study issued last May, the Federal Government called for a readjustment of the present policies in order to push ahead with the new technological revolution and economic reforms. The study singles out information technology, the study of data and biological and laser technologies as priority items. To achieve the aims, the study calls for improved cooperation among scientific research institutions, institutes of higher learning and industrial enterprises.

In the federal budget for next year, the percentage increase for research is double the across-the-board increase for all other items. The Federal Government will take steps to support aggressive small and medium-sized enterprises and to finance firms using new technology. The idea is to narrow the gap with the United States and Japan.

Unemployment remains the leading nightmare for West European countries, including Federal Germany. Nobody in the Federal Government, the enterprises or in research institutions foresees an improvement in the near future. In a recent interview, the director of the Federal Labor Bureau said unless the economy increases by over 3 percent, the number of jobless will not drop below two million. The most optimistic estimates predict a 200,000, drop in the number of jobless next year, to 2.15 million.

COMMENTATOR ON ROLES OF LEADERS, THOSE THEY LEAD

HK190913 Beijing RENMIN RIBAO in Chinese 18 Dec 84 p 5

[Commentator's article: "The Leadership and Those Who Are Led"]

[Text] Every department of our party and government organs is assigned a certain amount of work and is leading a number of units. To improve the work of these departments, we should not only correctly deal with the question of the relationship between the parts and the whole and between theory and practice, but we should also correctly deal with the question of the relationship between the leadership and those who are led.

Work assigned to some of these departments is very heavy and complicated. To make the assigned work successful, the leadership should be either very energetic or quite erudite. The energy of men is limited and it is impossible for them to know everything. This is a contradiction. There is only one method to iron out the contradiction; that is, we should be both students and teachers, be students first and then teachers, and always be students and teachers. Han Yu wrote in "On Being a Teacher": "Students may not be inferior to teachers and teachers may not be superior to students." True, students may not be as good as teachers and teachers may not be better than students in all aspects. Even though teachers are not as good as students, this is not a shame. The relationship between teachers and students is same as that between the leadership and those who are led. Comrade Mao Zedong taught brilliantly on this question. It is good for us to study his teaching again. To do their work well, leaders of a department should consider the speciality of their work, they should become familiar with their work and find out its universal laws. They should also always know of progressive and new experiences of the grassroots units and the problems outstanding for them. To do this, they should go down to the grassroots units and immerse themselves among the masses to modestly learn from those who are led. Overthe past few years our country has achieved marked successes in rural reform. This is only because our leading organs were able to seriously investigate and summarize various forms of the contracted responsibility system based on the household with remuneration linked to output which were created by cadres and the masses at the grassroots units before popularizing them.

All our comrades in leading posts have one sole purpose and two types of status. The sole purpose is to serve the people wholeheartedly. If you seek personal gain by taking advantages of your power and position, then you go counter to the purpose. The two types of status refer to the fact that we are both leaders and comrades. You should not put on airs and always think that you are wiser than others but should be very modest and open-minded and treat others as equals. As leaders we should often discuss and consult with our subordinates in a democratic way. We should not decide hastily on a question before it is accepted by all. We may lay it aside for the time being and wait until we reach a common understanding. Necessary waiting is also a kind of solution to a problem.

In short, as for the leadership and those who are led, it is necessary to encourage them to learn from each other, respect each other, understand each other and work together with one heart in times of difficulty. In the current party rectification, leaders of not a few units lay their hearts bare through heart to heart talks with their subordinates. Practice shows that this is a good way to clear away misunderstanding and cement unity. We should no longer let each other down and hurt the feelings of each other and unite together. Only by so doing will we be able to unite more closely and keep in step and will our cause become more prosperous.

DEFENSE SCIENCE COMMISSION VALUES INTELLECTUALS

OW190751 Beijing XINHUA Domestic Service in Chinese 0053 GMT 19 Dec 84

[By correspondent Sun Deguang and reporter Hu Shihong]

[Excerpts] Beijing, 19 Dec (XINHUA) -- Party organizations at various levels of the National Defense Science, Technology, and Industry Commission and in various units under the commission have made continuous efforts to eliminate "leftist" influence and adhered to the four "correct attitudes." They have done a good job in conscientiously admitting party members from among scientific and technological personnel.

The four "correct attitudes" are: 1) They understand the intellectuals' eagerness to apply for party membership and look at their political enthusiasm with a correct attitude. 2) They treat the shortcomings of intellectuals with a correct attitude and refrain from getting involved in trifling mistakes and from demanding perfection. 3) They conscientiously analyze the characteristics of the work of intellectuals and correctly look at their participation in labor and social activities. Some intellectuals are too busy carrying out scientific research and experiments to take part in physical labor or do social work. The party organizations have guided the masses to look at the intellectuals' attitude toward the party's line, principles, and policies and their spirit of dedication to overcoming difficulties in promoting the four modernizations and used this attitude and spirit as the principal criteria in judging their political enthusiasm and attitude. 4) They correctly look at the intellectuals' family background and social relations in accordance with the party's policy, and have social relations in accordance with the party's policy, and have enabled a number of intellectuals who meet the conditions for party membership but whose family background may be unsatisfactory or may have some individual history problems to honorably join the party.

According to a statistical report, now more than 70 percent of the intellectuals with college or higher education in the National Defense Science, Technology, and Industry Commission and in various units under the commission have become CPC members. They have made outstanding performances in scientific research and experimental work related to national defense.

One research institute has admitted 64 intellectuals into the party in the past 5 years. After joining the party, most of the comrades have won merits or received commendations. Seven of them have been named advanced individuals in building socialist spiritual civilization.

CPC OFFICIALS FOUND NEGLIGENT IN MAY HIJACKING

HK200529 Beijing CHINA DAILY in English 20 Dec 84 p 3

[Text] Two party officials of a Liaoning company that employed Zhuo Changren, one of the six hijackers who hijacked a CAAC airliner to South Korea last May, have received suspended prison sentences for neglecting their duty.

Xu Junming, party secretary of the Liaoning Provincial Electrical and Mechnical Equipment Company, was given a three-year sentence and Zhang Kelun, deputy party secretary of the company, was sentenced to a one-year term. The suspensions mean that neither men will actually go to prison.

Even after the pair learned that Zhuo was under investigation for economic crimes, they continued to trust him. Their confidence allowed Zhuo time and opportunity to carry out the hijacking, according to SHENYANG RIBAO (SHENYANG DAILY), YANGCHEN WANBAO (GUANGZHOU EVENING NEWS) reports.

SONG RENQIONG AT NUCLEAR DATA CENTER OPENING

OW200014 Beijing XINHUA Domestic Service in Chinese 0818 CMT 19 Dec 84

[By reporter Zhang Jimin]

[Text] Beijing, 19 Dec (XINHUA) -- A foundation stone laying ceremony for the China Nuclear Information Center was held in Beijing today. Amid the sound of firecrackers, Song Renqiong, member of the Political Bureau of the CPC Central Committee, banked up earth with a spade.

The China Nuclear Information Center now under construction is located at Mashenmiao on Xisanhuan Road, covering a total floor space of 24,000 square meters. The main and side buildings comprise six main departments and rooms, namely, the department for reading books and reference materials, the data bank and computer department, the audio and video duplication and exhibition room, the department for information research and guidance in information service at grassroots level, and the department for editing and publishing books and periodicals on nuclear science and technology. Upon completion, the building will become a center for storing literature on nuclear science and technology, retrieving nuclear information for research, and publishing books and periodicals on nuclear science and technology. The center will provide information on nuclear science and technology on a national basis as well as offer on-line search for information on computers at home and abroad. The whole project is expected to be completed by the end of 1986.

ROLES OF CONSTRUCTION, DESTRUCTION VIEWED

HK160540 Beijing GUANGMING RIBAO in Chinese 9 Dec 84 p 1

[Commentator's article: "Construction Comes First; Open Up a New Situation"]

[Text] With regard to the relationship between destruction and construction, we should first distinguish between conditions in the period of revolution and those in the period of construction, and adopt different methods in dealing with them. We should not stick to one and the same formula without any flexibility.

During the period of revolution, our task was to seize state power, and change the old relations of production which obstructed the development of the productive forces. At that time it was correct that destruction should come first and that first destruction and then construction should be practiced. Without doing this, it would have been impossible to establish the people's state power and the new relations of production led by the proletariat. However, even at that time construction still took place amid destruction, and construction found its expression in establishing the people's state power in the revolutionary bases; and this was the starting point of overthrowing the reactionary government and establishing a people's government on a nationwide scale. After the establishment of the people's democratic government, especially after the fundamental completion of the socialist transformation, "our fundamental task has been changed from that of emancipating the productive forces to that of protecting and developing the productive forces under the new relations of production." (Mao Zedong: "On the Correct Handling of Contradictions Among the People") Under these circumstances, we should no longer have adhered to "destruction comes first" but should have followed the concept that construction comes first. However, because of the fact that we failed to shift the core of our work to socialist construction in good time and to differentiate between the conditions in the period of revolution and the conditions in the period of construction, the relations between destruction and construction were not properly handled for a considerable period of them, and "destruction comes first" was regarded as a set formula and rigidly followed in practice, thereby producing unsatisfactory results.

The emergence of this problem was associated with the wrong estimation of social contradictions. In fact, after the fundamental completion of the socialist transformation and the elimination of the exploiting class as a whole, class struggle should not have been the main contradiction in our society. However, because of the mistakes in subjective understanding, "taking class struggle as the key link" was adhered to, and the ideological and political work was equated with "ideological struggle." For a long time ideological struggle was waged against CPC members, and especially against intellectuals: one was against CPC members, and especially against intellectuals: one was the "struggle between the two lines" and the other was the "struggle against evil trends." Furthermore, whenever such struggle was waged, a movement was bound to develop and "mass criticism" was resorted to. The effect of such actions not only failed to form a political situation of stability and unity but also obstructed the building of socialism.

The 3d Plenary Session of the 11th CPC Central Committee rectified a series of "leftist" mistakes such as "taking the class struggle as the key link." And reestablished the fine tradition of our party in ideological and political work. Since class struggle is no longer a main contradiction and the exploiting class as a whole has been eliminated, we should not stick to "destruction comes first." In various kinds of work, the work of economic reform in particular, we should insist on putting construction first, and encourage the cadres and masses to actively create new things, propose new methods, and open up new situation, in order to replace those old conventions, old things, and old methods that are harmful to the cause of the four modernizations. With regard to those comrades who fail to follow the new trend or understand new things, various methods, such as patient waiting, persuasion and guidance, friendly talks, and education through facts, should be adopted to help them enhance their understanding, so that a unified understanding can be reached. In our rural reforms, our party organs at various levels acted in this manner, and very good results have been achieved; the reform in cities should also proceed according to these successful experiences.

Of course, there exists class struggle within a certain extent, such as serious criminal activities and serious economic crimes. Criminals in these two categories should be severely dealt with by the political and legal departments through legal means, so that our economic construction can be safeguarded and social order maintained.

RENMIN RIBAO URGES LOCAL PROCESSING OPERATION

Report From Jiangsu

HK180049 Beijing RENMIN RIBAO in Chinese 15 Dec 84 p 1

[Report: "In the Past Live Chickens Were Sent to Cities, but Now Plucked Chickens to Factories -- Chingfeng Village Is Running Chicken Slaughterhouse Doing Processing for Canaed Food Factory and Earning More Than 20,000 Yuan in More Than 2 Months"]

[Text] According to a report in XINHUA RIBAO, four peasants in Chingfeng village of Dengyuan Township in Rugao County are now jointly running a chicken slaughterhouse, making use of local advantage to process raw materials of agricultural products and sideline products. In 63 days of operations, they provided Rugao canned-food factory with more than 147,000 plucked chickens and earned a processing fee of 20,600 yuan.

At the end of July this year, Huang Demei, a peasant of Chingfeng village, heard that Rugao canned-food factory was preparing to process canned chicken in relatively large quantities. Immediately, he discussed this with the other three and they all considered it worth doing.

First, the source of chickens in this year was relatively sufficient and purchasing would not be a problem. Second, all the plucked chickens would be sent to the canned food factory and they would not have to worry about marketing. Third, there were many surplus laborers in the village. Fourth, the canned food factory was not very far away and there were convenient supply and marketing links. Fifth, they did not have to buy more large equipment. With small capital and fast turnover, it would be easy to run. They then on one hand conducted marketing investigation, and on the other they negotiated with Rugao canned food factory, and an agreement was soon reached. After 20 days of preparatory work, their chicken slaughterhouse was officially opened on 19 August.

After Chingfeng established a chicken slaughterhouse, the collectives and commune members in adjacent areas followed by establishing more than 10 chicken slaughterhouses. Facing intense competition, Chingfeng chicken slaughterhouse concentrated their attention on anlivening operation, unceasingly strengthening productive techniques and business management. As a result, among the plucked chickens they produced, there were no sick, bruised, deteriorated, or undersized chickens. Being completely clean inside and outside and in conformity with sanitary standards as well as quality requirements, the plucked chickens they processed received good commendations from Rugao canned food factory and the quarantine departments, and accounted for more than half of the plucked chickens the Rugao canned-food factory purchased.

At present this chicken slaughterhouse is striving to complete the production task of 160 tons of plucked chickens for this year ahead of time, while at the same time making preparations for expanding the scale of production next year.

Commentator's Article

HK180053 Beijing RENMIN RIBAO in Chinese 15 Dec 84 p 1

[Commentator's article: "Learn To Be a 'Clever Housewife'"]

[Text] Poultry in rural areas used to be transported to cities for sale. This has been a practice of many years and is still the usual practice in most rural areas. However, some peasants in Rugao of Jiangsu Province have changed this kind of practice. They are running slaughterhouses to slaughter and pluck the poultry and then having local factories process it into canned food for sale in cities. This tendency of transforming rural natural economy into commodity economy is a matter meriting attention.

"The cleverest housewife cannot cook a meal without rice." At present there is more rice available in the rural areas waiting for "clever housewives" to cook. Grain, cotton and oil, pigs, sheep and oxen, chickens, ducks and geese, melons, fruit and vegetables, and so on, have all become "rice" to be cooked. Anyone who can turn the "rice" into "meal" is a "clever housewife." This transformation means developing commodity economy, developing multiprocessing based primarily on rural raw materials, developing comprehensive operations linking up agriculture, industry and commerce forestry, industry and commerce; and fishery, industry and commerce enabling the material produced to rise greatly in value and creating more wealth for society and more convenience for consumers.

In the past when grain was not abundant, we were wearing a cap of "worry." At present there is more grain than before and difficulties arise in some places as a result of the surplus grain, and some comrades have put on a cap of "worry" again. As a matter of fact, with the development of commodity production, there is a lot of work to be done to transform the agricultural products into commodities in response to the changes in people's consumption structure.

In some areas, on one hand, there is more grain and the "difficulty" of selling grain arises; on the other hand there is less meat and the "difficulty" of buying meat arises. But if the grain is manufactured into forage and then transformed into meat, milk, and eggs, not only will it solve the difficulties in storing and transporting grain but it will also increase the value of products, satisfy the needs of the people in both urban and rural areas, and form a good cycle. Will the problems not be solved in this way? Xu Yegui, a grain specialized household, exchanged 10 thousand jin of grain for 10 thousand yuan. This is an example. The key lies in making a breakthrough in ideology, applying science and technology, and learning to be a "clever housewife."

PEOPLE'S BANK PRESIDENT VIEWS STRUCTURAL REFORM

OW191924 Beijing XINHUA in English 1906 GMT 19 Dec 84

[Text] Wuhan, December 19 (XINHUA) -- Chinese banks should gear their management to the needs of the country's rapid growth in production and play a more active role in supporting the ongoing economic reform. These remarks were made today by Lu Peijian, president of the People's Bank of China, who was addressing the closing session of an eight-day national bank directors' conference held here in Wuhan, capital of Hubei Province.

He described the restructuring of the banking system as "part and parcel of China's economic structural reform which is focused on the urban economy." The restructuring, slated for the coming new year, will concentrate on the control and management of credit loans for key construction projects and technical transformation, legislation and launching of new services.

The people's bank, the central institution in China, is flanked by the Industrial and Commercial Bank of China, the Agricultural Bank of China, the Bank of China and the people's Construction Bank of China. There are also rural credit co-operatives operating all over the countryside. All these monetary organizations have undergone changes over the last few years to accommodate the country's agricultural and industrial reforms, and serve its new open policy.

According to the conference, the People's Bank in 1985 will continue its support for technical transformation of the country's aging enterprises and key construction projects in energy and communications, while offering loans to the special economic zones, coastal cities opening to the outside world and economically underdeveloped areas. This year, the People's Bank has issued an estimated 10 billion yuan (about 4 billion U.S. dollars) as loans to help enterprises introduce up-to-date technology. 'It is expected next year more loans will be used for this purpose," a spokesman for the bank said. But he did not reveal how much will the sum be.

While augmenting loans for key projects, the spokesman said, the People's Bank would adopt new measures to control the use of such credit funds so as to keep capital construction in harmony with the steady growth of the national economy. The bank will extend two billion yuan in 1985 to the four special economic zones in Guangdong and Fujian Provinces, the 14 coastal cities designated earlier this year by the State Council to open wider to the outside world, and to poorer areas including old liberated areas, border regions, and areas inhabited by minority nationalities. "These funds will be used for building and improving investment conditions in the special economic zones and open cities, and for development projects in poorer areas to help boost production, open up desolate mountains, build roads and plant trees," the spokesman said.

Urban credit cooperatives will be set up in large and medium-sized cities on a trial basis to cope with the burgeoning commodity production and the various economic forms under the responsibility system, the spokesman added. These facilities, just like their rural counterparts which were instituted in the 1950s, will practise independent accounting and assume sole responsibility for their own profits and losses.

INCREASE IN 1984 PRODUCTION NOTED BY BUREAU

OW190911 Beijing XINHUA in English 0724 GMT 19 Dec 84

[Text] Beijing, December 19 (XINHUA) -- China has harvested over 400 million tons of grain this year, 12.5 million tons more than in 1983, according to the State Statistical Bureau today.

Cotton output was 5.5 million tons, up 20 percent. An increase of four percent was registered in output of oil-bearing seeds, and more than 6.66 million hectares of barren land was afforested.

The bureau also described 1984 as an "exceptionally good year" for animal husbandry, with increases in the number of draught animals in stock and in the production of meat, milk and eggs.

The nation's industrial output for the first eleven months of this year was 632.5 billion yuan (calculated at the 1980 constant prices), up 13.1 percent over the same 1983 period.

The increase for light industrial production was 12.7 percent while heavy industry rose by 13.5 percent. Coal output was up 9.9 percent, electricity production, 7.1 percent.

Even greater gains were made in production of consumer durables now in large demand, the bureau said. The nation's output of refrigerators and color T.V. sets was at least double that of the first eleven months of 1983. Increases ranged from 26 percent to 68 percent for cassette recorders, washing machines, cameras, electric fans, as well as woollen goods and beer.

During the first eleven months of 1984, the bureau reported, China's total retail sales volume increased by 15.8 percent. The increase was at least 50 percent for consumer durables. The state revenue grew by 19 percent in the first ten months of the year, continuing a trend of annual increases since 1979.

The following factors were responsible for this year's production increases, according to the State Statistical Bureau:

- -- Heightened peasant enthusiasm for work under the policy of encouraging specialized production on a household basis. From January to November, peasants bought 43.8 billion yuan worth of farm machinery and other means of production, up 11.9 percent over the same period in 1983.
- -- Improved economic performance resulting from economic restructuring. Per capita productivity rose by 8.5 percent in state-owned enterprises throughout China.

-- Intensified efforts to upgrade the existing enterprises while building new projects. Over 1,100 kilometers of new railways have been opened to traffic this year.

China is also spending 30 billion yuan upgrading the existing enterprises for quicker and better turnovers.

FOREIGN ECONOMIC, TRADE RELATIONS EXPAND

OW191017 Beijing XINHUA in English 0843 GMT 19 Dec 84

[Text] Beijing, December 19 (XINHUA) -- China's import-export volume was 46.66 billion U.S. dollars in the first eleven months of this year, 19.8 percent more than the same period in 1983. Export volume was 23.32 billion U.S. dollars, up 16.9 percent and imports were up 22.9 percent, to 23.34 billion U.S. dollars, according to the State Statistical Bureau today. Increases were registered in trade with Japan, the United States, Australia, Southeast Asian countries, the Soviet Union, Hong Kong and Macao.

Foreign funds used in the first nine months of this year amounted to 1.66 billion U.S. dollars, double the 1983 figure. The same period also saw the signing of agreements calling for foreign investment of 1.91 billion U.S. dollars.

The country approved 239 projects of joint venture using Chinese and foreign capital, more than the total for the period from 1979 to 1983. Work was progressing on 650 projects in China's four special economic zones -- Shenzhen, Zhuhai and Shantou in Guangdong and Xiamen in Fujian -- in the first nine months of this year.

YUNNAN, XINJIANG PROVINCES REAP 'GOOD HARVESTS'

OW160738 Beijing XINHUA in English 0718 GMT 16 Dec 84

[Text] Beijing, December 16 (XINHUA) -- Yunnan Province and the Xinjiang Uygur Autonomous Region are reported to have reaped good harvests of grain and livestock.

Initial estimates show that Yunnan Province has gathered more than 10 million tons of grain, an increase of 5.3 percent from last year. This is the first biggest harvest in the last 35 years. The output of major economic crops, such as tobacco, tea, sugar cane and rubber, meat and the number of animals in stock all hit historical highs. The all-round good harvest has boosted the province's total agricultural output value to 7.7 billion yuan, up 11.7 percent from 1983, the biggest increase for 35 years.

In Xinjiang, the successful battle against snow-storms, drought and flood resulted in an all-round good harvest. According to the regional Statistical Bureau, the region gathered more than 4.8 million tons of grain by the end of November, showing a 7.98 percent increase over 1983. The output of cotton showed an increase of 16.16 percent to 182,000 tons. The number of animals in stock at the end of the year is expected to be 480,000 more than last year. Output of meat is expected to be 15,800 tons more than last year.

MINISTER SAYS RAILWAYS AHEAD OF 5-YEAR PLAN

OW171630 Beijing XINHUA in English 1442 GMT 17 Dec 84

[Text] Beijing, December 17 (XINHUA) -- Chinese railways will meet the passenger and cargo quotas set in the Sixth Five-Year Plan by the end of this month, a year ahead of schedule. Chen Puru, minister of railways, said here today.

At a national railway work meeting, he said that the number of passengers carried by the railways will reach 1.1 billion this year, 51 million or 4.8 percent more than in 1983, while cargo transport will be up 50 million tons, or 4.2 percent, to a total of 1.21 billion tons. The passenger and cargo turnover is expected to be 912 billion ton-kilometers in 1984, the highest since liberation, he added. The country has built 355 kilometers, double-tracked 418 kilometers and electrified 681 kilometers of railways this year, the minister noted.

At the moment, China has a total of 52,000 kilometers of railways, ranking fifth in the world. The country will build 652 locomotives, including diesel, electric and also steam locomotives, 17,900 freight wagons and 1,180 passenger cars by the end of this year. Though great achievements have been made in the past few years, the minister said, railway transport remains a weak link in the national economy. To cope with the needs of rising rural commodity production, urban economic reform and the policy of opening to the outside world, the pace of updating railways must be speeded up, he said. The potential capacity will be tapped by revamping existing lines and factories and improving management.

During the Seventh-Five Year Plan (1986-1990), he said, 33 existing railways will be updated, 4,700 kilometers of lines electrified, 2,700 kilometers double tracked, and 3,700 kilometers newly built. By 1990, cargo transported will reach 1.6 billion tons, and passengers, 1.5 billion.

15 CITIES EXCHANGE INFORMATION ON REFORM

OW152200 Beijing XINHUA Domestic Service in Chinese 1248 GMT 14 Dec 84

[By reporter Zhang Hongwen]

[Text] Tianjin, 14 Dec (XINHUA) -- The pace of urban economic reform has accelerated since the beginning of this year, and especially since the 3d Plenary Session of the 12th CPC Central Committee; and the reform work centering on invigorating enterprises is developing in depth and breadth. This was learned by this reporter from the first meeting of 15 cities that was held to exchange information on economic reform. The meeting ended today in Tianjin. The meeting was sponsored by Shanghai and Tianjin with the approval of Beijing, Chongging, Wuhan, Guangzhou, Nanjing, Xian, Shenyang, Harbin, Dalian, Qingdao, Changzhou, Shashi, and Shenzhen Cities. Responsible comrades of the State Commission for Restructuring the Economic System attended the meeting.

Data provided by representatives of the 15 cities indicate the existence of 3 new features in current urban economic reform: 1) reform is developing from the collective and small enterprises to large and medium-sized enterprises; 2) reform is gradually developing from individual and partial aspects to whole aspects; 3) reform in microeconomy has promoted reform in macroeconomy, and the reform in grassroots enterprises is pushing reform in government economic departments. The cities are beginning to display their central roles. The participating cities decided at the meeting to adopt various forms to strengthen horizontal links and periodically exchange information on reform.

2D VOLUME OF ZHOU ENLAI'S 'SELECTED WORKS' HAILED

OW150513 Beijing Domestic Service in Mandarin 1200 GMT 14 Dec 84

[Station commentary: "A Brilliant Book That Integrates Theory With Practice"]

[Text] The second of the two-volume "Selected Works of Zhou Enlai" has been published. This is an important event which people have looked forward to for a long time. Comrade Zhou Enlai was a good premier who enjoyed the heartfelt love and esteem of the Chinese people.

He made magnificent contributions to the Chinese people's revolution and construction. The second of the two-volume "Selected Works of Zhou Enlai" reflects a series of important ideas, principles, and policies put forward by Comrade Zhou Enlai in the 26 years after the founding of the People's Republic for solving problems in China's socialist revolution and construction by applying the universal truth of Marxism-Leninism. It is a brilliant book that integrates theory with practice.

During China's socialist revolution and construction, Comrade Zhou Enlai adhered to the principle of seeking truth from facts and creatively put forward many brilliant expositions. In the area of socialist transformation, he suggested a peaceful transformation was about to be generally completed, he pointed out that the dictatorship should continue but democracy should be expanded. On economic construction, in 1949 he put forward that production was New China's fundamental task, with agriculture as the foundation and industry as the leading factor. In 1954 he called for the modernization of industry, agriculture, communications, transport, and national defense. At the 3d National People's Congress in 1964, he took a further step to propose the modernization of industry, agriculture, national defense, and science in 1975, he reiterated the magnificent objective of realizing the four socialis: modernizations. On the party's intellectual work, he pointed out in 1956 that the intellectuals were a part of the working class and that it was necessary to rely on the alliance of workers, peassats, and intellectuals. In the area of foreign relations Zhou Enlai was one of the Zounders of New China's peaceful foreign policy. He put forward the five principles of peaceful coexistence and the idea of seeking common ground while reserving differences, which have become the norms for handling international relations generally recognized by the world's countries. He also made many important expositions on the party leadership and on how to cultivate the party character among the party members.

During the 10 chaotic years Comrade Zhou Enlai made persistent and unremitting efforts to correct leftist mistakes and waged acute and complex struggles of various forms against the intrigues and sabotage by the Lin Biao-Jiang Qing counterrevolutionary clique. All those struggles are shown in the second of the two-volume "Selected Works of Zhou Enlai." The important expositions made by Comrade Zhou Enlai after the founding of the People's Republic have restored and developed Marxism-Leninism-Mao Zedong Thought and become the precious spiritual assets of our party and the people.

At present the whole party and the people throughout the country are thoroughly studying and implementing the decision of the 3d Plenary Session of the 12th CPC Central Committee. Party rectification is proceeding smoothly and being advanced. The publication of the second of the two-volume "Selected Works of Zhou Enlai" will help us know historical experience better, enhance our understanding of the decision of the 3d Plenary Session of the 12th CPC Central Committee, and help us learn from Comrade Zhou Enlai's scientific attitude of preceeding from reality and seeking truth from facts and his spirit of serving the people wholeheartedly. The book will also promote the reform and the party rectification.

CONFERENCE HELD ON OVERSEAS CHINESE ENTERPRISES

HK190600 Haikou Hainan Island Service in Mandarin 0400 CMT 16 Dec 84

[Text] From 9 to 15 December the Overseas Chinese Affairs Office of the State Council held a national work conference at the state-run Xinglong Overseas Chinese farm in our region concerning Overseas Chinese enterprises. The conference studied and discussed the principles, policies, and central tasks with respect to current reform of the economic structure of Overseas Chinese enterprises.

It demanded that all Overseas Chinese enterprises and farms must really do a good job in reform of the economic structure to strengthen the vitality of the enterprises, to raise economic results, and to change the outlook of the Overseas Chinese enterprises as socia as possible.

Attending the conference were representatives of the NPC Overseas Chinese Committee, the All-China Federation of Returned Overseas Chinese, State Economic Commission, Ministry of Finance, State Bureau of Materials and Equipment, China Overseas Chinese Agriculture-Industry-Commerce Integrated Complex Corporation, China Agricultural Reclamation Economic Research Institute, and other departments concerned. Also attending were responsible persons of the Overseas Chinese affairs offices and Overseas Chinese enterprises of provinces and autonomous regions, including Guangdong, Guangxi, Fujian, Jiangxi, Yunnan, Jilin, and Hebei; and directors of Overseas Chinese farms and secretaries of Oversease Chinese farm CPC committees in all provinces and autonomous regions, totaling 276 people.

Zhuang Yanlin, deputy director of the Overseas Chinese Affairs Office of the State Council; Liu Junjie, vice governor of Guangdong Provice; and Wang Yuefeng, deputy secretary of the Hainan Regional CPC Committee, attended the conference and spoke.

The conference summed up the achievements scored by Overseas Chinese enterprises in bringing order out of chaos since the 3d Plenary Session of the 11th CPC Central committee and analyzed the problems now existing in Overseas Chinese enterprises and farms. The conference demanded: All Overseas Chinese enterprises and farms throughout the country must seriously study and understand the spirit of the decision of the CPC Central Committee on reform of the economic structure, must further emancipate minds, accelerate the pace of reform, thoroughly change the ossified modes of excessively centralized control over and too rigid management of the economic structure and of the single-product economy in the production structure, and must correct serious egalitarianism in the course of distribution. In light of the practical situation of the Overseas Chinese enterprises and farms, those which are suitable for industrial development must engage in industry, those which are suitable for agricultural development must embark on agriculture, and those which are suitable for commercial development must engage in commerce. It is necessary to carry out diversification to do a good job in the economy. Moreoever, it is essential to give full play to the advantages of the Overseas Chinese enterprises and farms -- a large number of returned Overseas Chinese and extensive contacts abroad -- to vigorously import Overseas Chinese and foreign capital and advanced technology and equipment, and to speed up farm production and building.

COMMENTATOR SUPPORTS WORK FOR BLIND, DEAF-MUTES

HK170255 Beijing RENMIN RIBAO in Chinese 13 Dec 84 p 4

[Commentator's article: "Seriously Do a Good Job in Work for the Blind and Deaf-Mutes"]

[Tezt] Thanks to the sincere concern of the CPC Central Committee and the State Council, the 4th national meeting of representatives of the blind and deaf-mutes in China has successfully concluded. We express warm congratulations to the blind and deaf-mutes! The struggle objective of this meeting is to, by the turn of this century, greatly improve the physical and mental health of the blind and deaf-mutes, to give play to their wisdom; and to gradually narrow the gap of material life between them and the healthy people in order to reach the comparatively well-off level by means of the state and society assistance and their own efforts. We have to do a lot of things in order to achieve this objective. In particular, in the next few years we must further do a successful job in the employment work of the blind and deaf-mutes by acting in the spirit of reform.

Also, we must strive to improve their education and technical levels, and strengthen the work of preventing and curing blindness and deafness. To do one's best to make a contribution for the four modernizations is the common aspiration shared by the blind and deaf-mutes. The good situation developed in various vigorous trades has triggered off an ardent wish of attaining prosperity through hard work among them. However, because of physical handicaps and limited education, quite a large number of blind and deaf-mutes are unemployed and are in financial difficulties. On the other hand, the employed blind and deaf-mutes, when compared with the healthy people, are also less competitive. This situation affects the blind and deaf-mutes in giving play to their initiative, which does not conform to the requirements of the four modernizations. Since the 3d Plenary Session of the 12th CPC Central Committee, China has been actively carrying out the economic structural reform. The blind and deaf-mute associations at various levels must grasp this good opportunity. They must determinedly carry out reform, make innovations, and open up new ways for the work for the blind and deaf-mutes.

The meeting has put forward the goal to strive, within five years' time, to provide jobs for most of the blind and deaf-mutes in urban areas who are capable of handling manual labor. This is an important and arduous task which is obviously impractical with only the arrangements of labor departments. civil affairs departments and neighborhood enterprises. Instead, we should accomplish it through various forms. such as jointly running businesses with them on an individual basis or on the principle of volunteerism: large factories, mines, and enterprises running welfare factories: and units making job arrangements for their workers' blind and deaf-mute relatives. Regarding welfare factories which mainly provide arrangements for the blind and deaf-mutes, the departments concerned should give them preferential treatment in the areas of production and take the road to prosperity.

At present the education level of the blind and deaf-mutes is generally low, and many of them are illiterate. Their study problem can by no means be solved just with the present 300-odd schools for the blind and deaf-mutes. We should adopt the principle of jointly developing special education for the blind and deaf-mutes by the government. units, and individuals. We should advocate the running of classes for the blind and deaf-mutes in ordinary schools, and that units run cultural and vocational classes for the blind and deaf-mutes.

The work of preventing and curing blindness and deafness is also very important. The public health departments at various levels must actively carry out the work of preventing and curing blindness, deafness, and mutism. By making use of deaf children's remaining hearing and through training, we should improve and perfect their ability to communicate with ordinary people, and strive to achieve that "9 out of 10 deaf people are not mute." We should help those blind people who only suffer from weak evesight to read and write. We should make contributions to the blind and deaf-mutes.

The undertaking concerning the blind and deaf-mutes is the one of the whole society. We should mobilize and organize all social forces to take part in this work. We should make use of radio, television. newspapers, and other propaganda means to educate the masses, particularly the youth, on advancing the spirit of humanitarianism. taking care of and respecting the blind and deaf-mutes, and developing a good general mood of society assisting the blind and deaf-mutes.

On problems concerning marriage, families, and other welfare benefits of the blind, deaf-mutes and handicapped people, the trade unions, the CYL, and women's federations should work more and enthusiastically help them solve various actual problems. We should safeguard their proper rights in order to reflect the attention paid to them by the party and the state.

BLIND, DEAF-MUTE ARTISTS LEAVE FOR HONG KONG

OW171202 Beijing XINHUA in English 1154 GMT 17 Dec 84

[Text] Shanghai, December 17 (XINHUA) -- A group of amateur performers left here today for Hong Kong to attend the fifth Asian conference of the deaf. Sent by the Shanghai Art Ensemble for the Blind and Deaf-Mute, the 20 artists will also attend an international theater festival sponsored by the Hong Kong Mutual Assistance Society for the Deaf. They will present a pantomime, three dances and a magic show. The Hong Kong visit will give the performers a chance to learn more about handicapped people from other parts of Asia, Qian Guanlin, head of the group told XINHUA. The festival would also contribute to the goal of creating equal opportunities for the deaf, he said. Founded in 1982, the Shanghai ensemble has about 40 blind and deaf-mute musicians and performers. It has visited Japan twice.

AIRCRAFT FOR GEOLOGICAL PROSPECTING TESTED

OW190553 Beijing XINHUA Domestic Service in Chinese 1239 GMT 18 Dec 84

[Text] Beijing, 18 Dec (XINHUA) -- The Yun-12-1, a civilian aircraft for aerial geological prospecting, was successfully tested at the Harbin aircraft plant recently. The Ministry of Aeronautics Industry and the Ministry of Geology and Mineral Resources accepted the aircraft after appraisal, and agreed to put it in commission yesterday. The Yun-12-1 aircraft was designed to meet the demands of aerial geological prospecting on the basis of the Yun-11 aircraft. The new aircraft is powered by an imported engine with greater thrust than the engine in the Yun-11. It has a maximum takeoff weight of 5 metric tons, a maximum carrying capacity of 1.7 metric tons, a maximum speed of 320 kilometers per hour, and a maximum range of 1,440 kilometers.

AIR FORCE TRAINS PERSONNEL FOR LOCAL AREAS

OW161347 Beijing XINHUA Domestic Service in Chinese 0257 GMT 16 Dec 84

[Text] Beijing, 16 Dec (XINHUA) -- Since the beginning of this year, the Air Force has trained more than 23,000 specialized technicians for various localities. Of this number, more than 6,000 people are computer technicians, who are playing an active role in production and construction in their respective localities.

Since the beginning of this year, some Air Force units, academies, and research institutes have turned their technical specialties to good use by actively training farm machinery, construction, communications, and microcomputer technicians for various localities. Seeing that a structural cement component factory in the vicinity had poor sales of its products because of bad quality, a ground-to-air missile division's repair shop organized a technical aid group to train a contingent of technicians for the factory and to help it carry out technical transformation. As a result, the factory ended its losses and began to make profits in a short time because of great improvement of its products and a rapid climb in sales.

A science and technology service leading group for aiding other areas organized by a meteorological college of the Air Force has run two terms of meteorological classes for a locality. More than 170 leading cadres, engineers, and technicians of weather departments throughout the country have attended the classes. The Air Force's 1st Aviation Ground Crew School has run training classes on farm insecticide, chemical fertilizer, farm machinery, and electrical engineering. After attending the classes, more than 200 local peasants have become professionals in developing commodity production.

PLA BORDER UNITS ENJOY IMPROVED LIVING CONDITIONS

OW171135 Beijing Domestic Service in Mandarin 0200 GMT 17 Dec 84

[Text] According to JIEFANGJUN BAO, after 2 years of efforts, our Army has scored great achievements in the building of 37,000 kilometers of border and coastal defense. Eighty-one percent of the frontline troops have moved into new houses. In the Beijing area, well-heated observation towers have been constructed. On the southern borders, new reinforced concrete sentry posts have been built. Clubs and other recreation centers have been built in various companies. Most of the frontline companies have solved the problems of drinking water, lighting, and transportation. Marked improvement has also been achieved in medical and health services and living facilities.

In this connection, JIEFANGJUN BAO published a commentator's article, pointing out: Most of the border defense units guarding the remote areas are not easily accessible; their natural environment is adverse and living conditions are hard. This spirit of plain living and hard struggle should continue in the future as in the past. However, while we advocate plain living and hard struggle, by no way do we mean that we should not do our best to solve those problems that can be solved. With the development of national economic construction, we will keep on improving the situation and give priority to improving the material and cultural life of defense units. When the material and cultural life of the defense units has been improved, the commanders and fighters will surely become more earnest in guarding the borders of our motherland.

RETIRING ARMYMEN HIRED BY CIVILIAN DEPARTMENTS

OW180957 Beijing Domestic Service in Mandarin 2230 GMT 17 Dec 84

[Text] According to a report carried today [18 December] by JIEFANGJUN BAO on its front page, Hebei's Shijiazhuang Municipality sponsored a meeting yesterday to recommend retiring armymen to civlian departments. Within a few hours, all the 95 retiring cadres with special skills were hired by civilian departments. An officer in charge of the transfer said: We used to have to make numerous contacts before we could place a cadre. Now the local authorities are eager to hire retiring armymen, and the retiring armymen also have a choice of jobs and where they want to work.

WAN LI VIEWS MAYORS ROLE IN MODERNIZATION PERIOD

OW190425 Beijing XINHUA Domestic Service in Chinese 1439 GMT 18 Dec 84

[By reporter Zhang Wanxiang]

[Text] Beijing, 18 Dec (XINHUA) -- "The cities are political, economic, and cultural centers, and to do a good job in urban construction is urgently needed in the modernization drive," said Vice Premier Wan Li, former vice mayor of Beijing and minister of urban and rural construction, when he met in Beijing today with over 100 mayors from various parts of the country. He urged them to study diligently, grasp the law of urban construction in the new period, and do a successful job in building and managing the cities.

Wan Li shook hands with the mayors and asked them about urban construction. He said: In the beginning, we did not know how to manage a city because we were not familiar with the situation or with urban life. We have now accumulated both positive and negative experiences in construction over the past 35 years. Since the covening of the 3d Plenary Session of the 11th CPC Central Committee, we have eliminated chaos and restored order as well as summed up the experience in urban construction and management, urban economic development, and urban education and scientific and technical work.

We are now carrying out the reform of the economic structure, with the focus on the urban economy, and establishing economic networks centering around cities. Along with progress in the economic structural reform and the reform in education and scientific and technical work, a new situation characterized by vigorous economic growth in the cities will certainly emerge. Moreover, there will be a growing need in the rural areas for manufactured goods and scientific and technical knowledge provided by the cities. In order to do a good job in urban construction, it is necessary to, first of all, eliminate "leftist" ideas and, second, obtain scientific knowledge. He called on the mayors to vie with each other in successfully building and managing the cities.

On the question of how to be a good mayor, Wan Li pointed out: First of all, it is necessary to pay keen attention to urban planning and construction by gradually improving public utilities in the cities. Second, in order to effectively manage the cities and create a good working and living environment for the residents, it is necessary to attach great importance to science and technology and skilled personnel and build and transform the cities with modern scientific and technical knowledge. Third, it is also necessary to attach great importance to information, including both economic and scientific and technical information and domestic and international information. It is necessary to promote scientific and technical exchanges between cities and between urban and rural areas in order to help and benefit each other. Vice Premier Wan Li also called for economic, cultural, scientific and technical, and personnel exchanges between the eastern coastal cities and the economically and culturally backward western areas in order to enable the backward areas to become well off as soon as possible and the advanced areas to become even more prosperous. He also urged the mayors to broaden their vision and learn from foreign experience in experience in urban construction and management and in development of the tertiary industry.

More than 400 responsible persons and mayors from over 180 cities throughout the country attended a meeting in Beijing to "China's Urban Economic and Social Yearbook." Among them were some 150 mayors and vice mayors. They exchanged experiences in urban construction during their stay in Beijing.

FORUM ON CADRE EDUCATION CONCLUDES IN XIAN

HK180259 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 16 Dec 84

[Text] The forum on secondary vocational education for cadres, which was held by the Organization Department of the CPC Central Committee in Xian, successfully concluded yesterday.

Wang Zhaohua, deputy head of the Organization Department of the CPC Central Committee, president over the forum and spoke at the beginning and conclusion of the forum. He said: Due to seriously insufficient qualified personnel at the secondary vocational level, a fairly large number of qualified personnel at the higher professional level cannot go all-out to engage in the development of production, technological and scientific research, and management. They have to spend a fairly large amount of energy on work which qualified personnel at the secondary vocational level can do. This pehomenon of using qualified people at the higher professional level for trivial tasks not only wastes valuable funds spent on training qualified personnel at the higher professional level but, what is more important, wastes their time and knowledge. This directly and adversely affects the development of the four modernizations.

Wang Zhaohua also said: Cadres who are under the age of 45 and have not reached the secondary vocational and cultural level are the generation which will work on all fronts until about the year 2000, advancing the revolutionary cause and forging ahead into the future.

The whole country has some 5 million cadres who have not reached the secondary vocational and cultural level and who account for one-fourth of the cadre ranks. Completing the secondary vocational training of these cadres is a real guarantee for enabling all cadres of our country to reach the secondary vocational level or to exceed the cultural level of senior middle school before 1990 and for successfully fulfilling the tasks provided in the national plan for training cadres.

At the forum comrades seriously studied the instruction of the Secretariat of the CPC Central Committee on secondary vocational education for cadres, discussed and studied the method of implementing the instruction, and revised the draft provisional regulations formulated by the Organization Department of the CPC Central Committee on conducting secondary vocational education for cadres.

Six provinces, a municipality, and a city, including Guangdong, Shanghai, Heilongjiang, Sichuan, Hunan, Jilin, our province, and Zhongshan City in Guangdong, exchanged experiences in secondary education for cadres.

AGRICULTURAL EDUCATION REFORM MEETING ENDS

OW180239 Beijing XINHUA Domestic Service in Chinese 0908 GMT 17 Dec 84

[By reporter Peng Baixiang]

[Excerpts] Chengdu, 17 Dec (XINHUA) -- The national secondary agricultural education reform meeting, which ended on 17 December, pointed out: Secondary agricultural schools should be geared to the needs of rural areas and grassroots units and train qualified scientific-technical, management, and administrative personnel for "key and specialized households and economic associations," township enterprises, and state agricultural (animal husbandry and fishery) enterprise and institution units.

This meeting, sponsored by the Ministry of Agriculture, Animal Husbandry and Fishery, was held at the Wenjiang School of Agriculture in Sichuan. To suit the needs of rural economic development, the Wenjiang School of Agriculture has adopted a variety of methods to speed up the training of various types of rural scientific and technical personnel.

Representatives attending the meeting paid great attention to the Wenjiang School of Agriculture's experience. They also exchanged information about education reforms that were made on a trial basis in various localities, including schools of agriculture directly training qualified personnel for key and specialized households and economic associations," and thus opening avenues to rural areas for people of talent. Another agricultural school reform entrusts departments and units concerned to run workers' training classes for township enterprises and agricultural (animal husbandry and fishery) enterprise and institution units and thus train urgently needed personnel.

After full discussion, the meeting pointed out: Secondary schools of agriculture should make reforms emphasizing the following four aspects: First, it is necessary to reform the admissions system and the system of assigning graduates to work posts; readjust the school system; and adopt a variety of methods to run the school. It is necessary not only to train agricultural professionals needed by the state but also to train millions upon millions of skilled workers who can master knowledge of agricultural science, techniques, and management, and directly engage in production. Second, it is necessary to readjust step by step the specialities offered by schools. Third, it is necessary to persistently integrate education closely with social production and grasp well the three-in-one combination of teaching, testing, and demostrating and disseminating in order to fully display the characteristic of secondary schools of agriculture. Fourth, it is necessary that school management reforms invigorate schools so that more qualified personnel can be rapidly trained.

LIAOWANG ON LAWYERS ROLE IN LEGAL SYSTEM

HK141023 Beijing LIAOWANG in Chinese No 48, 26 Nov 84 p 14

[Commentator's article: "An Urgent Task in Strictly Enforcing the Legal System"]

[Text] Bringing into play the role of lawyers and strengthening the work of lawyers is now an urgent task in carrying out the legal system.

To strengthen the work of lawyers, first of all, we should overcome all kinds of "left" prejudices against lawyers. The lawyers of our country are different from those in capitalist societies who are "free professionals". They are all workers in law of our country, just as the prosecutors and judges working respectively under the leadership of the relevant state organs. They only have different concrete tasks and duties. In criminal lawsuits, the public prosecutors (i.e. the procuratorate staff) prosecute on behalf of the country and exercise legal supervision over the administration of justice. As defenders for the accused, the lawyers defend the legal rights of the accused according to the facts and the laws. It is normal for the two sides to have different opinions on the same case. In the activities of criminal lawsuits, the relation between the prosecutors and the lawyers is to clarify the facts and explain the laws more clearly, not to oppose each other in their basic positions and interests. Although the two sides raise their questions on the same case from different angles, they all do their work according to the laws of the country and observe the common principle "based on the facts and laws." So it is not correct to think that the work of lawyers is to purposely "pick faults and put on a rival show" against the public security organs, procuratorial organs, and the people's courts.

The saying "lawyers speak for bad people and defend and save criminals" is also wrong, because lawyers are doing their work strictly according to the facts and the laws that embody the will and interests of the people.

It is a violation of the just rights and personal rights of the lawyers and is also against the law for the work of lawyers to have received much censure and for lawyers to have even been driven out of the court or illegally arrested in some places. The relevant organs should pay enough attention to this, and according to the laws, sternly deal with those people who have serious problems, as well as take active measures to prevent and stop similar incidents from happening again.

The key to strengthening the work of lawyers lies in training qualified personnel. With the gradual perfection of democracy and the legal system of our country, day by day people urgently need lawyers to give them legal help. In particular with the reform of the economic structure and the development of the national economy, people need the state to accelerate the work of economic legislation and strengthen the work of prosecution and judgment of economic cases, and also need the judicial departments to actively provide economic construction with legal services. The small number of lawyers in our country, and the fact that the standard of some of the lawyers is not high enough, is now far from meeting to the needs of the objective situation. So from now on, we must accelerate the training of the qualified lawyers with all our efforts, and train a large team of lawyers who are both red and expert.

We can take all kinds of forms and make use of all kinds of channels to train qualified lawyers, and the judicial departments of our country have already proposed many excellent opinions and measures on this. The main question now is to put them into practice.

One thing should be pointed out: All the relevant organs, enterprises, and institutions must not regard the question of training qualified lawyers as merely something the judicial departments should do, but also regard it as a big mattered related to the interest not only of the whole country, but also of their own departments and institutions, and, on, their initiative, actively and closely with the judicial departments to do this work well through cooperation.

The establishment and perfection of the lawyers' system is also an urgent problem to be solved in strengthening the work of lawyers at present. "The Provisional Regulations of Lawyers of the People's Republic of China" passed by the 15th meeting of the Standing Committee of 5th NPC in 1980 clearly determines the nature, tasks, organizations, rights, and duties of the lawyers of our country and has already played and will continue to play an active role in the recovery and development of our country's lawyers' system and in guiding the lawyers to do their work. But along with the steady development of judicial practice, a further perfection of the provisional regulations is now needed. For example, lawyers should be provided with convenient conditions in their investigation and research, submissions for reconsideration, reflecting the situation and so on. So there is a need to formulate a "law on lawyers" as soon as possible, to fully ensure in law that lawyers carry out their duties according to the law. Once the legislation is completed, the law will be ready to deal with all kinds of illegal actions that wantonly violate the just rights of the lawyers.

In a word, so long as we have readily paid attention, taken practical and effective measures, and from now on, strive practically for 3 to 5 years, the work of lawyers of our country will surely enjoy a great development. Our country will surely be able to have an initial contingent of lawyers. This prospect is one for which the party and the people hope.

XI ZHONGXUN HAILS MODERN DRAMA PERFORMANCE

CW190343 Beijing XINHUA Domestic Service in Chinese 0851 GMT 18 Dec 84

[By reporter Feng Yingbing]

[Excerpt] Beijing, 18 Dec (XINHUA) -- One performance after another of the modern drama "People in the Special Economic Zone" is being presented and the appeal for reform and the new work style and features of the people in the special economic zone, reflected in the drama, are like the special breeze to the viewers.

Xi Zhongxun, a member of the Political Bureau of the CPC Central Committee, watched last night's performance. He told the actors and actresses when he received them: The special economic zone is a new thing, and your drama reflects this fact well. Others who watched last night's performance included Rong Gaotang, secretary general of the Central Advisory Commission; and Zhu Muzhi, minister of culture.

FUJIAN PARTY MEETING ARRANGES REGISTRATION WORK

OW180523 Fuzhou FUJIAN RIBAO in Chinese 30 Nov 84 pp 1, 4

[Text] The provincial CPC Committee on 27 November called a meeting of responsible persons of the first group of units directly under the provincial authority carrying out party rectification. The meeting discussed and made arrangements for the work to be done in the phase of taking organizational measures and registering party members. Comrades of the liaison team assigned to Fujian by the Central Commission for Guiding Party Rectification attended the meeting.

At the meeting Comrade Gao Hu, Standing Committee member of the provincial CPC Committee, relayed a "Circular Calling for Conscientiously Doing the Work of Taking Organizational Measures and Registering Party Members" and a document about "Views on the Basic Situation in the First Stage of Party Rectification and Arrangements for the Second State of Party Rectification." He called on all units carrying out party rectification to organize party members to conscientiously study and implement the circular and document. Comrades attending the meeting discussed the question of how to effectively do the work in the phase of taking organizational measures and registering party members.

The meeting held. The first group of units directly under the provincial authority carrying our party rectification has entered the phase of rectification and correction one after another since July. In accordance with the guidelines laid down by the Central Commission for Guiding Party Rectification in its Circular No 9 and the provincial CPC Committee's requirements for rectification and correction, most of such units have grasped their major problems, taken effective measures for rectification and correction, and done a lot of practical work, thus achieving fairly good results and creating favorable conditions for them to enter the phase of taking organizational measures and registering party members. Meeting participants held that it is necessary to perform the following work well in order to do a good job in taking organizational measures and registering party members:

- 1. Party members should be organized to conscientiously study the relevant documents issued by the Central Commission for Guiding Party Rectification in order to enhance their understanding of the importance and necessity of taking organizational measures and registering party members.
- 2. Preparations should be conscientiously made to enter the phase to taking organizational measures and registering party members. In this regard there are mainly three things to be done: First, it is necessary to conduct an inspection of rectification and correction. The development of rectification and correction was quite uneven in the preceding period, and problems were not all thoroughly solved. Some units did not make vigorous efforts to check unhealthy tendencies, particularly to prevent or check new unhealthy tendencies which had occurred in the new situation of reform. We must have a clear understanding of all of this. All units shouls seriously review their work in carrying out party rectification. Units that have failed to fulfill the requirements set by the CPC Central Committee and the provincial CPC Committee must conscientiously take remedial measures. When conditions permit, major problems which have come to light in the course of party rectification should be solved. Individual party members should also make a review of themselves to determine whether or not they have examined all of their own major problems, whether or not they have thoroughly understood and corrected their mistakes or shortcomings, and how much they have done in correcting their mistakes or shortcomings. Proper remedial measures should be taken toward those who have failed to fulfill relevant requirements. Second, it is necessary to make ideological preparations.

Leaders should do the work of ideological mobilization among party members and organize them to study the CPC Central Committee's relevant documents on party rectification in order to raise their understanding and consciousness and to lay an ideological foundation for registration of party members. Third, it is necessary to make organizational preparations. The leading bodies of relatively weak party branches should be readjusted and strengthened. At the same time, efforts should make to know well and analyze the real and specific situation about individual party members, especially those discipline violators whose registration is to be postponed or refused.

- 3. Organizational measures should be taken resolutely and prudently. To ensure the purity of the party organizations, it is imperative to sort out and deal sternly with elements who persist in opposing and harming the party, especially the "three types of persons." In principle, the "three types of persons" should be expelled from the party, except those who have proved to have really mended their ways after a long period of examination. Those who stubbornly resist the CPC Central Committee's policies adopted since the 3d Plenary Session of the 11th CPC Central Committee, those who have committed grave crimes in economic matters and other criminal offenses, and those who have seriously violated the law and discipline must all be expelled from the party. It is necessary to be resolute and prudent in taking organizational measures toward party members. For party members who have committed mistakes of a general character, the stress is placed on criticism and education. For party members who have made grave mistakes. disciplinary action should be taken against them as necessary. On the serious question of taking organizational measures toward party members, it is absolutely not allowed to be excessively accommodating [gu xi qian jiu 1196 1873 6692 1432] toward anyone, nor is anyone permitted to intercede for or shield anyone else. Those who whould be punished must be punished, and those who should be expelled from the party must be expelled from the party. In taking organizational measures toward party members, who should uphold the principle of seeking the truth from facts, conscientiously act according to the CPC Central Committee's policy on party rectification, and strictly abide by the procedures prescribed in the party Constitution. Party members should be informed of the judgments to be made on and the penalties to be meted out to them, and they should be allowed to speak in their own defense, to appeal, to reserve their opinions, and to speak in defense of other comrades. Facts must be clear, evidence must be conclusive, the nature of each case must be correctly determined, the way of handling cases must be proper, and the procedures must be complete in order to stand the test of history.
- 4. It is imperative to uphold the criteria for party membership and to register party members in a prudent way. In registering party members, it is necessary to grasp "one key and two stresses." The "one key" is to correctly and strictly uphold the criteria for party membership. In this regard, the main factor is an individual party member's actual performance in various aspects since the 3d Plenary Session of the 1lth CPC central Committee. One of the "two stresses" is ideological education -- each and every party member should be made, through extensive education, to understand the prerequisites for a qualified party member in the new period so that he will set ever stricter demands on himself. The other stress is that in accordance with the criteria for party membership, it is necessary to strictly examine and judge a small number of party members whose registration should be postponed or refused. All those who meet the criteria for party membership should be allowed to register. Party members who are still basically not up to the criteria after education on party rectification, but who have expressed determination and have through their actions shown that they are willing to be observed by the party, may have their registration postponed.

Porty members whose revolutionary will has waned, who do not honor their obligations as party members, who cannot live up to the criteria for party membership, or who refuse to repent despite education should be persuaded to withdraw from the party and should not be allowed to register. Party members who request to quit the party, or those who have already given up their memberships and refuse to participate in party rectification should have their names removed from the party and should not be allowed to register.

5. Leadership should be effectively strengthened. It is a major event in the political life of the party to take organizational measures and register party members. The work of registering party members is new, and the leaders of all units should concentrate their energies to do this work well. Leaders at various levels should set an example by registering themselves as ordinary party members. To make contradictions transform in a favorable direction, ideological work should be done among all party members, especially among those against whom organizational measures will be taken and those whose registration will be postponed or refused.

The meeting discussed the work of investigating and verifying the "three types of persons." The first-stage party rectification units have done much practical and painstaking work in investigating and verifying the "three types of persons," but progress is slow. So far, leaders of some units have not acquainted themselves with the situation in this regard, lack firm determination, and have misgivings of various kinds. Some other units have met with factionalist interference. The meeting called on all units carrying out party rectification, especially those units that have failed to make vigorous efforts to investigate and verify the "three types of persons," to enhance their understanding of the great significance of this work, to act according to the principle of being resolute but not broadening the scope, and to take effective measures to do this important work well.

HAN PEIXIN ADDRESSES JIANGSU PARTY MEETING

OW161421 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 15 Dec 84

[Text] Making his work report at the seventh Jiangsu Provincial CPC Congress, Comrade Han Peixin pointed out that, in the light of the special characteristics of the new period, party leadership must be further strengthened and improved, party style rectified, the party's fighting capability enhanced, and party organizations at all levels turned into strong cores capable of uniting the masses and leading them to create a new situation in all fields of socialist modernization.

He said: At present we must work around the central task, which is economic construction, and rectify party organizations according to the high standards that have been set for the task, so as to improve the party organizations and give full play to the party members' vanguard role in the four modernizations drive. In accordance with the needs of the situation and the new assignments, party organizations must become stronger and the phenomenon of party organs failing to handle party affairs must be combated.

Comrade Han Peixin pointed out: We must build stronger leading groups according to the four requirements for cadres. At present we must work as quickly as possible to promote to major posts those outstanding cadres who are around 40 or so that the leading groups can be stabilized for a longer period. We must select and promote outstanding intellectuals and boldly use those who dare to bring forth new ideas and are good at reform. We must eliminate outmoded rules and regulations governing cadres' work and encourage democratic recommendation of cadres. We must also step up building the third echelon of cadres and set up a regular system to reverse cadres.

Comrade Han Peixin urged all party members to energetically encourage the practice of conducting investigation and study, uphold scientific leadership, strive to master the Marxist art of leadership, save time by scheduling time scientifically, take the initiative by improving work style and method of work, and mobilize forces in all sectors to work hard for realizing the party's objectives.

JIANGXI PREFECTURE ELECTS SECRETARY BY BALLOT

OW191305 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 18 Dec 84

[Text] The Jian Prefectural CPC Committee has elected its secretary in a democratic manner by casting ballots. (Duan Jialing), secretary of the Wanan County CPC Committee, has been elected to the post. On 15 December, the provincial CPC Committee formally approved the appointment of (Duan Jialing) as secretary of the Jian Prefectural CPC Committee.

From 26 through 28 November, the Jian Prefectural CPC Committee convened a meeting in Taihe County to elect the secretary of the prefectural CPC Committee in a democratic manner. The meeting was attended by 109 party member-cadres at and above the level of county and city CPC Committee secretary, county head, and mayor.

Attaching great importance to the democratic election of the secretary of the Jian Prefectural CPC Committee, the provincial CPC Committee put forward specific principles, conditions, measures, and requirements. It clearly stated that the provincial CPC Committee would not recommend candidates, but would let party member-cadres at and above the level of county CPC Committee secretary thoroughly deliberate and nominate candidates, and that whoever won the largest number of votes would become secretary of the prefectural CPC Committee. It also laid down specific requirements as regards the political standing, education leadership ability, and age of the candidates.

The election was held in two phases. The first phase concerned the study of the central leading comrades' relevant instructions, documents, and Shaanxi's experiences to acquire better understanding and achieve unity in thought, while the second phase involved free nomination of the candidates and democratic election by secret ballot. After repeated deliberations at various levels, Comrade (Duan Jialing), secretary of the Wanan County CPC Committee, was elected secretary of the prefectural CPC Committee with 65 out of 108 votes.

Commentary on Election

OW191315 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 18 Dec 84

[Station commentary: "An Attempt To Reform the Cadre System"]

[Text] The democratic election of the secretary of the Jian Prefectural CPC Committee is a successful attempt to reform the cadre system, and a concrete step taken by our province to emulate Shaanxi. It has aroused fervent reactions among party member-cadres in Jian Prefecture.

Facts have proven that a liberal mind, correct policies, stronger leadership, and proper measures ensure success of democratic elections. They can also blaze new paths and lead to new experiences and achievements in cadre work. Praised by the masses, appreciated by the cadres, and capable of removing leaders' worries, the democratic election of leading cadres has many merits: 1) There is a large choice of candidates; one out of 1,000 or even 10,000 is picked so that a more suitable candidate will be elected and his talents can be brought into fuller play; 2) it is democratic; higher authorities do not recommend the candidates and leaders do not interfere with the election; subjectivity and blaz are avoided, it is fully democratic; 3) it is characterized by mass participation; and 4) it is authoritative.

In keeping with the current trend of reform, it is necessary to promote to leading posts those talented personnel who are bold in carrying out reform and capable of blazing new trails. Though important, the system of recommendation by leaders and election by organization departments alone is inadequate. If we still resort to such esoteric measures as involving only a few people and excluding the masses from recommending and electing personnel in our cadre work, it will be difficult to eliminate old ideas and practices regarding cadre problems, avoid interference by such unhealthy tendencies as factionalism, and make impartial evaluation of cadres' merits and demerits. Consequently, leaders will employ incapable cadres as a result of their biased views, thereby neglecting outstanding personnel. Only by inviting the masses to appraise cadres and taking their judgement and opinion into consideration can we acquire a better understanding of our cadres, eliminate misunderstanding and differences in evaluating cadres' merits and demerits, and ensure that most people will be satisfied with newly promoted cadres. Cadres will also derive inspiration from this practice, lift their spirits, keep close contact with the masses, and consciously accept their examination and supervision.

I. 20 Dec 84 PRC REGIONAL AFFAIRS CENTRAL-SOUTH REGION

GUANGDONG APPROVES READJUSTMENT OF ECONOMIC ZONE

HK191330 Guangzhou Guangdong Provincial Service in Mandarin 0400 CMT 19 Dec 84

[Text] The State Council recently gave an official written reply which approved an appropriate readjustment of the scope of Shantou Special Economic Zone.

After the readjustment of Shantou Special Economic Zone, it will be divided into two parts, which will have a total area of 52.6 square kilometers. Of this total area, the area of (Longhu) will be 22.6 square kilometers and the area of (Guangao) will be 30 square kilometers.

The reply of the State Council also requests that the provincial People's Government supervise the Shantou Special Economic Zone's faster formulation of overall plans for development and its exploitation and construction activities by stages and in groups in a planned and systematical manner.

NANFANG RIBAO URGES IMPROVING PARTY WORK STYLE

HK190117 Guangzhou NANFANG RIBAO in Chinese 16 Dec 84 p 1

[Commentator's article: "Improve the Party's Work Style To Promote Reform"]

[Text] How does the CPC's work of inspecting discipline guarantee the successful progress of the reform of economic structure? This was the important topic for discussion in the provincial discipline inspection conference, held not long ago.

The overall reform of economic structure with the cities as its focal point is the major task of the whole party. Discipline inspection work should serve the reform of economic structure, and the most important question should be correctly understanding the relationship between straightening out the party's work style and reform. Some comrades think that enforcing party discipline will affect reform; some others complain that party discipline inspection work will better reform, hindering the enlivening of economy; and some others hold that while policies are relaxed, party discipline should also be "relaxed." Obviously, these ideas are not correct.

Comrade Chen Yun pointed out: "Discipline inspection work should study and suit the new situation. There is no question of 'relaxing' the principles of party spirit and party discipline. Without a good party work style, the reform will not be successfully carried out. Whether in the period of working underground or in the period of functioning as the ruling party, the Communist Party should at all times uphold party discipline." This is the guiding ideology for carrying out discipline inspection work amidst the reform of economic structure. Straightening out party work style and enforcing party discipline and effecting reform and opening up complement and coordinate with each other and spur each other. Only good party work style and strict and impartial party discipline can enable the whole party to be in politically unity with the Central Committee, enhance awareness in enforcing the party's line, principles, and policy, and ensure that reform and opening to the outside world can progress smoothly and develop along the correct direction. If the party spirit of party members is not strong and party work style is not correct and lacks strict discipline, the line, principles, and policy will not be carried out and enforced, reform and opening to the outside world will not be done well, and economic construction will not progress smoothly. But making a success of the reform and opening to the outside world will not only speed up economic construction but also create favourable conditions for rectifying and eliminating unhealthy tendencies. Therefore, party discipline should absolutely not be "relaxed," and the more relaxed the policy is, the more rigorous party discipline should become.

The basis for correctly implementing party discipline is the party Constitution and the "Principles Guiding Inner Party Life." In judging whether party members observe or violate discipline, two main aspects should be taken into consideration. First, whether the party's line, principles, and policies are firmly implemented. Acting within the scope of party policy and state law means observing party discipline. Not implementing party policy and state law, or still following previous policies and regulations which have already been changed, means violating party discipline. Second, whether the principles of party spirit are observed. The conduct of a Communist Party member, including whether his ideology, morality, and so on is in line with the principles of party spirit, will surely be reflected in his adherence to party discipline. Anyone who seriously violates the principles of party spirit will surely seriously violate discipline. These are the two main criteria for enforcing discipline, which must be adhered to at present and in the future.

Eith the implementation of the reform, the specific policies of the party need necessary adjustment and perfection, and enforcing the party discipline should also be based upon the current policy. However, the principles of party spirit should always be upheld. The character and revolutionary spirit of the vanguard of the working class which Communist Party members must uphold should not be abandoned, the principles of party spirit which Communist Party members must uphold and observe should not be abandoned, and the standard of party discipline should not be lowered, just because we are practicing reform and adopting an open-door policy.

To promote party work style, it is necessary to mainly rectify the practice of using power to gain personal interests and bureaucratism in being seriously irresponsible to the party and the people. This is because these two kinds of unhealthy tendencies are the most outstanding, and moreover these two kinds of ideologies and work styles have also spawned various unhealthy trends and malpractices. Under the new situation, attention must be paid to rectifying these newly emerging unhealthy tendencies, the main ones being that party members and cadres and party and government organs utilize their power to do business, seize the opportunities of reform and opening to the outside world to wildly inflate prices of commodities, and utilize their power to engage in factionalism and to resort to deception and practise fraud, and so on. These unhealthy tendencies, which are based on the interests of individuals and small groups, injure the public interests for private gain, undermine economic construction, cause major losses to the interests of the state and the masses of the people, and seriously affect the prestige of the party. These are not allowed by party discipline.

Comrade of the discipline inspection organs at every level in our province and those who are engaged in doing discipline inspection work should keep abreast of and adapt themselves to the new situation of reform in the aspects of ideology, work, and work style, strive to do a good job, and accomplish with distinction their tasks entrusted by the party.

HUNAN'S LARGEST THERMAL POWER PLANT DISABLED

HK200533 Beijing CHINA DAILY in English 20 Dec 84 p 3

[Text] A fire in the boiler house of Jinzhushan Power Plant caused explosions and knocked out three generators, each with a capacity of 125,000 kilowatts, causing direct losses to the plant of more than 4.5 million yuan (\$1.7 million). An investigation blamed the accident in mid-November on workers' improper operation, HUNAN RIBAO reports. Jinzhushan is the largest thermal power plant in Hunan Province. The power failure resulting from the fire was said to have caused losses to industry estimated at 150 million yuan (\$56 million). Two of the three generators have been restored to operation, but the third is still being repaired.

GUIZHOU GOVERNOR CALLS FOR FULFILLING CONTRACTS

HK181538 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 17 Dec 84

[Text] While Governor Wang Chaowen was recently inspecting work in Anshun Perfecture, he demanded that departments concerned seriously fulfill all economic contracts for this eyear to ensure that rewards are given to the good ones and that punishment is meted out to the bad ones and to protect the masses' enthusiasm. Moreover, all departments must further perfect the system of economic responsibilities for next year and must work hard to develop our province's good industrial and agricultural situation.

After listening to the report made by the director of the Anshun City Winery, Governor Wang Chaowen learned that prior to the establishment of the system of contracted economic responsibilities, the winery had eaten from the big rice pot of the state, the workers had eaten the big rice pot of the enterprise, and the enthusiasm of the enterprise and the workers had been unable to be aroused. The enterprise had been unable to develop to any degree for many years and had not contributed greatly toward the country. In March of this year, this winery implemented the system of contracted economic responsibilities at all levels. The enterprises signed a contract with the state for making profits and its workshops signed contracts for the total amount of costs. All shifts, groups, and individuals were responsible for fulfilling the quotas for the output value, output, and profits. The responsibilities were defined and the enterprise was clear about what to reward and what to punish. The enthusiasm of the enterprise and workers was aroused. A new situation in production emerged. For January to November, the winery made profits of approximately 1 million yuan, which was 450 percent more than last year, and costs dropped by 24 percent.

Governor Wang Chaowen said: The experience of the Anshun City winery shows that any unit that does well in implementing the system of economic responsibility will develop production and will raise its economic results.

While conducting investigation ac basic levels, Governor Wang Chaowen also learned that responsible persons of some factories, mines, and enterprises were worried that they could not fulfill their contracts for this year and that workers could not get bonuses at the end of the year. He said to leading comrades of the Anshun prefectural commissioner's office: Leaders of departments concerned must show concern for the personal interests of the masses, and they must issue more bonuses to the units and individuals whose economic resluts are good and who have made great contributions toward the country. It is necessary to widen the difference in the distribution of bonuses, to fulfill the economic contracts for this year, and to ensure more pay for more work.

When Governor Wang Chaowen talked to leading comrades of the Anshun prefectural commissioner's office, he also emphasized: In summing up work for this year, we must seriously sum up the situation in implementing all forms of the system of contracted economic responsibilities and must vigorously make good preparations for all aspects of work for next year. In particular, we must further perfect all forms of the system of contracted economic responsibilities for next year so that all economic quotas can be fulfilled. We must fully arouse the masses' enthusiasm and must further develop our province's good industrial and agricultural situation.

CHENGDU PLA NOTICE ON NEW YEAR SOLIDARITY DRIVE

HK140201 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 13 Dec 84

[Excerpts] The Political Department of Chengdu Military Region has issued a circular on launching a drive to support the government and cherish the people during the New Year-Spring Festival period in 1985.

The circular makes the following demands on the units throughout the military region:

- 1. Study and implement the spirit of the 3d Plenary Session of the 12th CPC Central Committee and the forum of the Central Military Commission, and have a clear idea of the tasks and importance of supporting the government and cherishing the people in the new situation. In connection with local and their own realities, the units must seriously study the central decision on reform of the economic structure, the spirit of the Central Military Commission forum and the spirit of the August national congress of advanced figures and units in two-support work, actively support state economic construction and local reforms of the economic structure, and contribute to establishing and developing new-style Army-government and Army-people relations.
- 2. Launch extensive activities to support the government and cherish the people during the new year-spring festival period, with the focus on joint Army-people efforts to build the two civilizations. It is necessary to carry out extensive publicity for the central decision on reform of the economic structure. Units that have established ties with urban factories, mines, enterprises, and undertakings for the purpose of jointly building the two civilizations with them must take the initiative to get to know the arrangements of local governments and their link units for carrying out economic construction and reforms of the structure, and map out plans for joint building of the two civilizations in light of their realities. Units stationed in the rural areas should help the places with which they are linked for jointly building the two civilizations to consolidate and develop the production responsibility system and support the masses in developing commodity production. The PLA units should also help the masses to learn culture, science, and specialized technical knowledge, provide economic information, promote diversification, and develop more ways for getting rich. They should support the dependents of martyrs and servicemen, five-guarantee households, households in difficulties, and specialized households to get rich through hard work.
- 3. Carry out an inspection of policies and discipline, and properly handle problems left over from the Cultural Revolution. The units must send mass discipline inspection groups to check on the implementation of policies and discipline in the units. They must humbly listen to the views of the local masses on the PLA units, and deal seriously with existing problems.
- 4. Lay stress on practical results, pay attention to economizing, and make a success of comfort visits and get-togethers during the festivals.

YANG RUDAI ON EVALUATING SICHUAN RECTIFICATION

HK140159 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 13 Dec 84

[Text] Speaking recently at an enlarged plenary session of the CPC Committee of Sichuan Military District, Yang Rudai, secretary of the provincial CPC Committee and first political commissar of the Military District, dwelt on questions concerning party rectification. He reviewed the basic situation in the first phase of party rectification in the province and the work arrangements for the second phase.

Speaking on how to study and apply the rectification experiences of the first phase, he pointed out: First it is necessary to make a correct evaluation of the first phase of party rectification and fully affirm the successful experiences. He said: At present, a few people feel dissatisfied with the first phase of party rectification. They hold that as not many people have been punished and removed, the work has been done in a comfortable, easy, and superficial way, and there are no experiences worth mentioning. This erroneous idea is a leftover from the pernicious influence of the Great Cultural Revolution and of leftist ideology. It is a major ideological obstacle in the current party rectification.

We must clearly understand that party rectification is not aimed at punishing people, and that the success of party rectification is not to be measured by the number of people punished and removed. We must test party rectification by the achievements in the economy and reforms.

Comrade Yang Rudai said: The first phase of party rectification in Sichuan has been carried out according to the basic tasks stipulated by the Central Committee decision on party rectification, in line with the guiding principle of solving the problems without causing confusion, and in close connection with the central tasks. During this party rectification we have solved relatively well the major questions of correcting the guiding ideology and the guiding principles for professional work, to make it subordinate to and serve the party's general goal and task, and of totally negating the Great Cultural Revolution. In short, party rectification has developed healthily in the province over the past year, and the methods have been good.

Party rectification has accelerated the pace of reform. In connection with its own realities, Sichuan has scored great success in working to accomplish the central plan for reforms in eight aspects. This year the province's industrial output value and profit payments have grown synchronously. Sustained growth has been recorded in agriculture. The province has reaped a great bumper harvest of grain despite natural disasters. Output value of the township and town enterprises has increased by 2.7 billion yuan over the same period last year.

According to the present growth of industrial and agricultural output value, Sichuan could certainly achieve doubling 1 year ahead of schedule, and can strive to attain this goal 2 years ahead of schedule.

The facts have proven that outstanding results have been scored in party rectification. We should therefore study and popularize the experiences of the first phase and apply them in the second phase.

Comrade Yang Rudai pointed out: In the second phase, we should first solve the problem of understanding the goal and importance of party rectification, clear away ideological obstacles, and unify understanding and action. In this way we can objectively evaluate the first phase and apply its experiences to promote party rectification work.

During party rectification, we must pay attention to solving well the questions of correcting the guiding ideology and guiding principles for professional work, seriously implement the decision of the 3d Plenary Session of the 12th Central Committee, and closely integrate party rectification with reform, to reach the goal of making rectification spur the economy and testing rectification with economic achievements.

SICHUAN CPC ARRANGES FURTHER RECTIFICATION WORK

HK180922 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 17 Dec 84

[Excerpts] Yesterday morning the provincial CPC Committee Office for Party Rectification Guidance Groups and the CPC committees of organs directly under the provincial authorities held a symposium on exchanging experience in party rectification in the organs and on making further arrangements for it.

Responsible comrades of the Office for Party Rectification Guidance Groups attended the symposium.

Comrade Nie Ronggui spoke at the symposium, while responsible comrades of CPC Committees of the provincial Public Health Department, the Irrigation and Water Conservancy Bureau of the provincial Water Resources and Power Department, the provincial Research Institute for Light Industry, the provincial masses' art gallery and the provincial Scientific and Technological Committee respectively introduced their experience in party rectification. Over 390 units directly under the departments, committees and bureaus at the provincial level also attended the symposium.

Two hundred and fifty-nine of the units have successively carried out party rectification. Among them, 105 units have carried out rectification simultaneously with the departments, committees, and bureaus at the provincial level; and 69 units will enter a new stage of rectification in the second and third quarters next year. At present, most of them are at the stage of simultaneous rectification and correction of defects, while the rest are generally at the stage of measuring themselves by the central standards.

In order to carry out rectification of the units in a down-to-earth manner, the symposium put forward suggestions for further doing well in this work. That is, we should have a deeper understanding of party rectification work of the units. On guiding ideology, we should solve problems without developing any disruptive situations. We should uphold the principle of seeking truth from facts and proceeding from actual conditions. We should strengthen ideological and political work and carry it out in an in-depth and meticulous manner. We should handle well the relationship between party rectification and economic work as well as those between the practice of simultaneous rectification and correction of defects and reform.

The symposium also pointed out: The minority of units directly under the provincial organs that have not made any arrangements for party rectification should do so promptly. Generally speaking, they should accomplish rectification by the end of the first half of next year. Even units that still cannot start rectification should actively make preparations for it so as to lay a good foundation for future work.

LI LIAN AT HEILONGJIANG SUPERVISION WORK FORUM

SK190806 Harbin HEILONGJIANG RIBAO in Chinese 6 Dec 84 p 1

[Excerpts] The Heilongjiang Provincial CPC Committee held a forum on 3 and 4 December on strengthening inspection and supervision work. The forum analyzed the new situation of inspection and supervision work in reform of the economic structure, and studied ways to perform the inspection and supervision work according to the party Constitution, the Constitution of the PRC, and other relevant laws and regulations; ensure the implementation of the policy of "conducting system reform and technical transformation and opening to other provinces and foreign countries to make the country and the people prosper;" and accelerate the building of socialist material and spiritual civilizations.

Responsible comrades of pertinent units, including the provincial Advisory Commission, People's Congress Standing Committee, CPPCC Committee, Discipline Inspection Commission, People's Procuratorate and Higher People's Court, the Organization Department of the provincial CPC Committee, the provincial Auditing Bureau, the office for handling people's letters and visits, and newspaper offices, gave speeches at the forum. Li Lian, secretary of the provincial CPC Committee, and Zhao Dezun, chairman of the provincial People's Congress Standing Committee, presided over and addressed the forum.

Participants to the forum unanimously held: Our country is now in a great period of reform. In order to make the reform a success, the inspection and supervision work is all the more needed to inspect and supervise as well as to promote and guarantee the smooth progress of the reform. Organs of power, executive organs at all levels, and relevant departments should conscientiously perform their supervising duty in line with laws, regulations, and the party's principles and policies. All organizations and individuals should receive inspection and supervision from competent departments without preconditions.

The participants also pointed out: The key to effective inspection and supervision lies in active party leadership. In the meantime, mutual support and coordination of organs of power, executive organs, and judicial organs should be strengthened. We should give full play to the role of the masses as supervisors through letters and visits, newspapers, and broadcasts so that the provincial CPC Committee can given heed to the criticism and suggestions of the masses through various channels, discover and solve in a timely manner the problems connected with the reform of the economic structure, and speed up our province's four modernizations.

LEADERS AT SHAANXI RALLY TO COMMEND PROGRESSIVES

HK191532 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 18 Dec 84

[Excerpts] The provincial rally to commend the advanced collectives and advanced individuals in raising funds to run schools and to commend model teachers in the mountainous areas successfully concluded this afternoon. Attending today's rally were Bai Jinian, secretary of the provincial CPC Committee; Li Qingwei, deputy secretary of the provincial CPC Committee and governor; Zhou Yaguang, deputy secretary of the provincial CPC Committee; Tan Weixu, vice chairman of the provincial People's Congress Standing Committee; Lin Jizhou and Sun Daren, vice governors; (Liu Bangxuan), adviser to the provincial government; Du Ruilan, vice chairman of the provincial CPPCC Committee; and responsible comrades of departments concerned at the provincial level.

Vice Governor Sun Daren presided over today's rally. Vice Governor Lin Jizhou read the decision of the provincial government on conferring the title of a provincial model worker on 25 teachers in the mountainous areas.

Amid lively music, responsible comrades of the provincial CPC Committee and the provincial government gave awards to 137 advanced collectives and 57 advanced individuals who had raised funds to run schools that had been assessed by the whole province.

At the rally, Li Qingwei, deputy secretary of the provincial CPC Committee and governgovernor, spoke: [begin recording] I am very happy to attend this rally today. On
behalf of the provincial CPC Committee and the provincial government, I extend cordial
regards and warm greetings to the advanced collectives and advanced individuals who
have raised funds to run schools and to the model teachers in the mountainous areas
who are attending the rally. The comrades working on the scienctific education front
have worked very hard and have done a great deal of work to improve the quality of
eduation in the course of implementing the line of the party and the principles of
the party on education and of reforming and popularizing education, so that our
province's scientific education work has further developed. [end recording]

In his speech he said: Our province has made three outstanding achievements in popularizing education:

- 1. A big stride has been made in popularizing education. By the end of this year, 28 counties and districts in the province will reach the standard set for popularizing primary education. Population in these counties and districts accounts for approximately one-third of the population of the whole province.
- 2. The province has opened up a new road to raise funds to run schools and a gratifying situation in which the masses have raised funds to run schools has emerged.
- 3. A large number of model teachers are settling in the mountainous areas.

Prior to the rally, responsible comrades of the provincial CPC Committee, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee met the 25 model teachers in the mountainous areas on whom would be conferred the title of a provincial model worker, and some delegates who had been specially invited to attend. The former also held a forum with the latter.

XINJIANG HOLDS FORUM ON BUILDING LEADING GROUPS

HK180918 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 17 Dec 84

[Excerpts] The regional forum on building enterprise leading groups concluded today in Urumqi. The forum has conveyed and studied the spirit of the national work conference on building enterprise leading groups as well as the relevant comments of the central leading comrades. Focusing on improving the quality of enterprise leading groups, the participants discussed the issue of readjusting the educational background of the leading groups of the region's major large and medium-scale enterprises.

The forum held that at present, the region's 41 major large and medium-scale enterprises still face problems of having old, less educated, and less technologically minded leading groups, although they have undergone readjustment. Therefore, the departments concerned must handle problems by taking a far-sighted and strategic attitude. They must emancipate their minds and broaden their field of vision. In connection with the requirement of central authorities and the region's unified planning, they should build at an earlier date the leading groups of the region's 41 major large and medium-scale enterprises into ones that have high educational levels and are very intelligent so as to speed up the region's pace of building the four modernizations and to promote a smooth progress in the entire economic structural reform, which is focused on urban reform.

In light of the region's actual conditions, the forum discussed suggestions and plans for readjusting the educational background of the leading groups of the region's 41 major large and medium-scale enterprises. The forum urged readjusting and building well in three stages the leading groups of the region's 41 major large and medium-scale enterprises. Qi Gue, secretary of the regional CPC Committee, made a speech at the concluding session of the forum.

FOREIGN AFFAIRS MINISTRY REGRETS HONG KONG ACCORD

OW191530 Taipei CNA in English 1504 GMT 19 Dec 84

["MOFA Issues Statement Expressing Regrets Over Hong Kong Accord" -- CNA headline]

[Text] Taipei, Dec. 19 (CNA) — The Ministry of Foreign Affairs issued a statement Wednesday expressing deep regrets over the sighing of an agreement on Hong Kong Wednesday between the British Government and the Peiping regime. In addition to condemning the measure, MOFA reiterates in its statement that the Government of the Republic of China will not recognize as valid any agreement on Hong Kong between the British Government and the Peiping regime. The Peiping regime is a rebellious group and has no right to represent China or the Chinese people, the statement says.

When the British Government and the Peiping regime initialed a draft agreement on Hong Kong Sept. 26, the ROC Government had expressed clearly its stand on Hong Kong and called on the freedom-loving and democratic countries in the world to do whatever they can to prevent Hong Kong from being turned over to a communist regime, the statement notes.

MOFA says the ROC Government has always been very concerned about the future of Hong Kong, especially about the well-being and security of the five million people in Hong Kong. For this, the ROC Government has taken various concrete measures, and will continue to work on more projects in the future to help the people in Hong Kong maintain their free life style, MOFA says, adding that the ROC Government will do everything it can to help those people in Hong Kong who do not wish to live under communist rule resettle in this nation.

TAIPEI ON BRITISH ATTITUDE TOWARD HONG KONG

OW182144 Taipei International Service in English 0100 GMT 18 Dec 84

[Station commentary]

[Text] The draft agreement on Hong Kong, worked out between Britain and Red China after 2 years of negotiations, has just been approved by both houses of the British Parliament. The official signing of the final agreement on 19 December will [words indistinct] an anticlimax. Indeed, the parliamentary support for the agreement was a little more than a formality.

Even before the pact was in the process of negotiations, opposition members of the British Parliament had made it knwon that they would get along with the government decision regarding the future of Hong Kong. Still, the unanimity with which the British Parliament endorsed the draft agreement came as a big disappointment to those who had expected the British to honor their tradition as defendants of human rights. The MP's passed the Hong Kong agreement without a dissenting voice, and nobody tried to plug the loopholes in the document that gives Peking leeway to violate it later.

Before the parliamentary debate started on the issue, 12 unofficial members of Hong Kong's Executive and Legislative Council flew to London to air their misgivings, which are also those of the 5.5 million Chinese residents, about the colony's future after its takeover by Red China in 1997. In a statement about the credibility of the so-called joint declaration between Peking and London, the Hong Kong delegation said that there are still great concerns among the people of the colony. These include: first, doubt about the preservation of the existing human rights and personal freedoms; second, anxiety about the interference from the Chinese Communists before the 1997 takeover; third, fear about the stationing of Chinese Communist troops in Hong Kong; and fourth, concern about the future implementation of the agreement and the policies of future rulers in Peking.

The statement concluded by calling on both Britain and Communist China to take steps to reassure the people of Hong Kong in these respects. The earliest appeal of the Hong Kong delegation went unheeded although the concerns they stressed are all legitimate.

Even British Foreign Secretary Sir Geoffrey Howe has conceded that London will be powerless if Peking reneges on the agreement. Instead of trying to make the agreement binding on Peking, the British representatives excused themselves by saying that the agreement was the best possible deal that they could get under the circumstances.

Having completed the act of sellout, the British Government is now busy assuring the Hong Kong residents that Communist China will honor the agreement on the flimsy ground that it is in Peking's interest to keep Hong Kong prosperous. But the British Government has pointed out that the [words indistinct] in Peking have even stronger reason to communize Hong Kong before its free economic system undermines the Marxist-Leninist ideology, which is the theoretical foundation on which the Peking regime rests.

OFFICIAL COMMENTS ON CURRENT TIES WITH U.S.

OW190327 Taipei CNA in English 0249 GMT 19 Dec 84

[Text] Taipei, Dec. 18 (CNA) -- The Republic of China and the United States should reach consensus on their mutual interest to improve the relations between the two nations, Cheng Chien-jen, deputy representative of the Coordination Council for North American Affairs [CCNAA], said Tuesday. Cheng pointed out that the U.S. Government has announced the "Caribbean Basin Initiative" program recently to intensify the development of the Caribbean region. However, this nation's businessmen should take the opportunity to make investments in Caribbean countries, he indicated, adding that this move by private interests in the ROC will not only coincide with U.S. interests in the Caribbean area but also contribute very much to the improvement of Sino-U.S. relations. The U.S. Government has expressed its welcome to participation by Chinese businessmen and given it a favorable evaluation, Cheng stressed.

He said that current ROC-U.S. relations have entered the "stage of being satisfactory in general," and the channels of communications between the two nations are very smooth and stable. But some problems such as the trade imbalance and counterfeiting are emerging as obstacles to the bettering of ROC-U.S. ties, he stated. He called on the public and private groups and individuals to jointly take effective measures to solve the problems. Meanwhile, he added, is we should let Americans know our determination and what we have done in dealing with these issues." Chen returned recently to report to government leaders on current CCNAA activities and ROC-U.S. ties.

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